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# ***Daily Report***

## **East Asia**

**FBIS-EAS-94-040  
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# Daily Report

## East Asia

FBIS-EAS-94-040

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## Japan

### U.S. Foreign Affairs, Defense Meeting Previewed OW0103051194 Tokyo KYODO in English 0435 GMT 1 Mar 94

[Text] Tokyo, March 1 KYODO—Japan and the United States plan to hold a high-level meeting in Tokyo next week on foreign affairs and defense, Defense Agency Director General Kazuo Aichi said Tuesday.

The meeting will take place when U.S. Secretary of State Warren Christopher visits Japan from March 9 to 11, Aichi said.

U.S. Secretary of Defense William Perry will not join the mission but Undersecretary of Defense Frank Wisner will accompany Christopher and attend the meeting, he said.

Japan will be represented by Foreign Minister Tsutomu Hata and Aichi, Japanese officials said.

The planned gathering aims to promote communication and understanding between the foreign and defense chiefs to prevent the bilateral trade friction from affecting security affairs, Aichi said.

Christopher will visit Japan as part of a three-nation tour of the Asia-Pacific region. While in Tokyo, he will attend an international conference on reconstruction of Cambodia on March 10 and 11 and meet Japanese leaders to discuss a broad range of bilateral issues.

### Mondale Speaks 'Very Harshly' on Trade Stance OW0103040294 Tokyo KYODO in English 0351 GMT 1 Mar 94

[Text] Tokyo, March 1 KYODO—Washington appears to be more concerned with prying open Japan's auto market than with Japan's macroeconomic policy, the trade minister said Tuesday [1 March].

Hiroshi Kumagai, international trade and industry minister, disclosed that he had talks with U.S. Ambassador to Japan Walter Mondale last weekend.

Mondale said Japan has more to do to open its auto market than addressing macroeconomic issues, Kumagai told a regular press conference.

Mondale spoke "very harshly" on Japan's trade stance, said Kumagai.

Kumagai's remarks indicate Tokyo's understanding that the United States places highest priority on auto and auto parts issues under the bilateral trade "framework" talks.

Kumagai said the Japanese auto industry should "listen earnestly" to U.S. discontent over slow access to the Japanese auto market, which is to suggest the industry

should push ahead with a voluntary plan to expand purchases of U.S.-made automobiles and auto components.

On the state of the nation's economy, Kumagai said there are signs of an increase in activity, citing the latest improvement in employment and manufacturing statistics.

It is still unclear if the recession has bottomed out or not but overall sentiment has turned upward, he noted.

It is unlikely that Japan's economy alone would stay in the doldrums, Kumagai said.

### Kantor: U.S. Review of Trade Policy Not Done OW2802235194 Tokyo KYODO in English 2301 GMT 28 Feb 94

[Text] Washington, Feb. 28 KYODO—U.S. Trade Representative Mickey Kantor indicated Monday [28 February] the U.S. Government is firming up its Japan trade policy after reviewing policy options and recommendations over the past two weeks. "We have made a number of decisions," Kantor said.

He would not disclose what action, if any, the United States might take but U.S. officials have said one policy option is to resurrect the so-called "Super 301" provision, which would allow Washington to retaliate against countries deemed to be engaging in unfair trade practices.

President Bill Clinton and other senior U.S. officials have repeatedly said the U.S. is reviewing actions on Japan following the collapse of trade talks between the two countries February 11.

Kantor told reporters after making a speech on trade policy that the Clinton administration has reached a number of decisions on Japan but the process of policy review has yet to be completed.

"We still have a number of other options and we continue to make decisions as we proceed," he said.

Kantor would give little information when pressed by reporters about the options and policy recommendations under consideration.

Asked whether the emerging U.S. trade policy on Japan will include revival of Super 301, he replied, "we will announce it when we are ready."

### U.S. Urged To Rationalize Okinawa Facilities OW0103014994 Tokyo KYODO in English 0128 GMT 1 Mar 94

[Text] Washington, Feb. 28 KYODO—Japan urged the United States on Monday [28 February] to further rationalize the use of military facilities in Okinawa Prefecture, Japanese officials said.

Ichiro Yoneyama, head of the Defense Facilities Administration Agency, made the request in meetings with Winston Lord, assistant secretary of state for East Asia and Pacific affairs, and Stanley Roth, deputy assistant secretary of defense for East Asia and the Pacific.

Yoneyama particularly raised the issue of port facilities in Naha where the U.S. military faces continuing pressure from local authorities to hand over the naval base in the provincial capital.

Both Lord and Roth expressed their understanding of the Okinawan people's feelings and pledged their efforts to resolve the base issue through cooperation with Japanese authorities, the Japanese officials said.

#### **PRC's Zhu Rongji Arrives in Fukuoka**

*OW0103125194 Tokyo KYODO in English 1230 GMT 1 Mar 94*

[Excerpt] Fukuoka, March 1 KYODO—Chinese Vice Premier Zhu Rongji arrived in Fukuoka on Tuesday [1 March] evening, hailing the potential of economic ties between China and Japan's southwestern region.

Zhu, seen as the main architect of China's economic reform program, is in Japan until Friday to meet with leaders and visit business organizations. [passage omitted]

#### **Visits Seto Ohashi Bridge**

*OW0103095794 Tokyo KYODO in English 0649 GMT 1 Mar 94*

[Text] Takamatsu, March 1 KYODO—Chinese Vice Premier Zhu Rongji visited western Japan on Tuesday [1 March] to inspect the Seto Ohashi bridge linking the islands of Honshu and Shikoku.

Zhu, who arrived in Japan last Wednesday for a nine-day visit, was briefed by administrative officials on the construction of the 13.1-kilometer structure, which is actually a string of bridges across five islets in the inland sea.

A number of Chinese dignitaries have visited the site since it was opened to automobile and rail traffic in April 1988.

The bridges link Kojima in Okayama Prefecture on Honshu with Sakaide in Kagawa Prefecture on Shikoku.

The same construction technology is being used for a 1.4-kilometer suspension bridge over the Ma Wan channel that will link mainland Hong Kong with Lantau Island.

The bridge will be open to vehicles and rail traffic after its completion, expected in mid-1997.

#### **Fukuoka Halts Distribution of Chinese Rice**

*OW0103100094 Tokyo KYODO in English 0639 GMT 1 Mar 94*

[Text] Fukuoka, March 1 KYODO—The Fukuoka prefectural office of the Food Agency has halted consignments of its entire stock of imported Chinese rice after a Fukuoka rice wholesaler reported finding some of it was discolored, officials said Tuesday [1 March].

The officials said they had stopped distribution of the rice because they have not yet finished inspecting it.

As a result, wholesalers in the area have suffered a shortage of Chinese rice to include in a special standard-priced blend that was to be made available Tuesday.

Some wholesalers have begun including the higher-priced United States rice in the blend, bearing the additional cost themselves.

The Chinese rice was imported in January and forms part of the 700 tons allotted to Fukuoka Prefecture in western Japan. The discoloring was found in mid-February.

The standard-priced rice in Fukuoka was to have contained 60 percent U.S. rice, 20 percent Chinese rice and 20 percent Thai rice, and sell at 3,191 yen per 10 kilograms.

#### **Ex-Vice Minister Owada Appointed UN Ambassador**

*OW0103014194 Tokyo KYODO in English 0104 GMT 1 Mar 94*

[Text] Tokyo, March 1 KYODO—Japan on Tuesday appointed former Vice Foreign Minister Hisashi Owada as its new ambassador to the United Nations effective Thursday, the Foreign Ministry said.

Owada, who resigned as the ministry's top bureaucrat last August, will replace Yoshio Hatano in the New York post.

Known as father of Crown Princess Masako, wife of Crown Prince Naruhiro, Owada, 61, served as ambassador to the Organization for Economic Cooperation and Development (OECD), deputy foreign minister for political affairs and vice foreign minister.

The Foreign Ministry also said Yoshihisa Ara, former minister at the Japanese Embassy in China, will become the new ambassador to Algeria, replacing Teruo Hayakawa, also effective Thursday.

Atsushi Tokinoya, former consul general in San Francisco, will replace Yukio Sato as director general of the ministry's North American Affairs Bureau, effective immediately, it said.

**Canadian Official: New Budget Good for Investors**  
*OW0103104594 Tokyo KYODO in English 0946 GMT  
1 Mar 94*

[Text] Tokyo, March 1 KYODO—Canada expects its tight fiscal 1994 budget to keep Japanese financial institutions prime investors in Canadian debt instruments, Doug Peters, secretary of state for international financial institutions, said Tuesday [1 March].

In an interview with KYODO NEWS SERVICE, Peters said that while Canada's budget process "is not directed specifically to Japanese or any other foreign investors," the fact that the country has tackled its federal deficit will keep investors confident in Canada.

A former chief economist with one of his country's largest banks, Peters perhaps knows international financial markets better than many cabinet ministers.

He said the Japanese bank, brokerage and insurance company executives he met in Tokyo have all been encouraged by Canada's commitment to fiscal stability.

"We have been very pleased with the reception (to the budget) here," Peters said.

And it is no coincidence that Canada's junior finance minister is in Japan only days after Finance Minister Paul Martin brought down the budget February 22.

Japanese institutional investors hold more than 40 billion dollars in Canadian Government and private debt instruments, including federal and provincial bonds.

A loss of confidence in Canada, where the government of Prime Minister Jean Chretien took office only last autumn, could mean a massive sale of Canadian debt on international and domestic markets and a major headache for the new government.

Peters, who met with Japanese Government officials as well as financial executives, said he now has little fear of any heavy selling by Japanese investors.

"The Japanese are long term investors in Canada and I fully expect them to remain so," he said.

On other investment fronts, Peters said he also gained a "sense" that Japanese direct investment in Canadian business could increase.

Trade trouble with the United States "is very much on people's minds (in Japan)," and Canada could see increased direct investment because of worries about the U.S., Peters suggested.

"The other side of the question, however, is that saber rattling by the United States could make the Japanese very aware of importing from American companies. Canadians must make very sure that does not hurt their markets in Japan."

He also suggested that Canadians are "very interested" in U.S. attempts to open Japanese markets, particularly

in financial services where he believes Canadian financial institutions have expertise.

"We are concerned about transparency in some rules that may shut us out of areas such as financial derivatives and other new financing methods where Canadians have a deservedly high reputation," he said.

Peters will visit investment institutions in Hong Kong on Wednesday before returning to Canada on Thursday.

**Colombian President Seeks Loan for Oil Field**  
*OW0103133194 Tokyo KYODO in English 1219 GMT  
1 Mar 94*

[Text] Tokyo, March 1 KYODO—Colombian President Cesar Gaviria Trujillo said Tuesday [1 March] he is looking for a loan from the Export-Import Bank of Japan for development of Colombia's largest oil field.

Speaking at a news conference here, Gaviria said he asked for the loan earlier in the day when he met with Mitsuhide Yamaguchi, governor of the government-financed bank.

Gaviria quoted Yamaguchi as expressing interest in cooperating with Colombia in promoting a 6 billion dollar project to develop the Cusiana oil field, believed to have oil deposits of some 1.5 billion barrels.

Gaviria, who arrived in Tokyo Saturday for a five-day visit, said he expects an Ex-Im Bank loan to help encourage Japanese banks and companies to join the project.

On other topics, Gaviria said his country will make a formal application soon for membership in the Asia-Pacific Economic Cooperation (APEC) forum.

**Tokyo Comments on Downing of Planes Over Bosnia**

*OW0103031494 Tokyo KYODO in English 0258 GMT  
1 Mar 94*

[Text] Tokyo, March 1 KYODO—Japan considers the shooting down of four warplanes over Bosnia-Herzegovina on Monday is in line with a U.N. resolution imposing a no-fly zone over the country, top government spokesman Masayoshi Takemura said Tuesday.

"Japan understands that it was done based on Resolution 816," which was passed in October 1992, Takemura said of the shooting down by U.S. F-16 fighters of four military aircraft in central Bosnia.

The chief cabinet secretary reiterated Japan's hope for the former Yugoslavia to achieve peace.

The F-16s under the command of the North Atlantic Treaty Organization (NATO) shot down the planes that allegedly violated the U.N. no-fly zone over Bosnia.

It was the first time that NATO warplanes have fired on alleged violators since the no-fly zone was declared.

**Export-Import Bank Grants Slovakia Untied Loan**  
*OW2802144494 Tokyo KYODO in English 1344 GMT*  
*28 Feb 94*

[Text] Tokyo, Feb. 28 KYODO—The Export-Import Bank of Japan awarded an untied loan of up to 4.29 billion yen to Slovakia's central bank Monday [28 February], the government-financed bank said.

The loan to the National Bank of Slovakia is the first by the bank since the separation of the Czech and Slovak Federal Republic in January 1993.

The loan will be extended under a Japanese program launched in June 1993 designed to help developing countries, the bank said.

The financing is also in line with a pledge made by the Japanese Government in May 1992 to provide countries in central and eastern Europe with up to 300 million dollars to promote Japan-U.S. cooperation in these countries, it said.

The bank said the loan is intended to support development of the private sector in Slovakia, particularly small and midsize enterprises, in collaboration with a U.S. fund called the American Enterprise Fund.

An untied loan does not require its recipient to use the fund for purchases of goods and services from the lender.

**Foreign Reserves Swell to \$98.43 Billion in Feb**  
*OW0103100694 Tokyo KYODO in English 0821 GMT*  
*1 Mar 94*

[Text] Tokyo, March 1 KYODO—Japan's foreign exchange reserves jumped 2.46 billion dollars in February to 98.43 billion dollars, posting the fourth consecutive month-to-month increase, the Finance Ministry said Tuesday [1 March].

Market dealers said they had anticipated the surge as the Bank of Japan was seen buying the dollar actively to stem its plunge against the yen in the reporting month.

The foreign reserves include convertible foreign currencies, gold and international monetary fund special drawing rights.

The official, as usual, declined to comment on details and reasons for the change in the foreign reserves.

Market experts closely follow fluctuations in foreign reserves as evidence of intervention by the Bank of Japan. Dealers said the central bank bought billions of dollars in February to stop the yen's rise, boosted by speculation over U.S. comments tolerating a stronger yen after the February 11 failure of the Japan-U.S. "framework" trade talks.

The ministry official said the dollar started the month at 108.00 yen and ended at 104.30 yen, ranging from 101.90 yen posted on February 15 to 109.16 yen marked on February 7.

Japan remained the world's largest holder of foreign reserves for the fourth month in a row, amassing 95.6 billion dollars as of December, the most recent comparable figures with other nations.

Taiwan came in second with 84.5 billion dollars as of November.

In December, Germany posted 82.5 billion dollars, the United States 74.9 billion dollars and Spain 41.8 billion dollars, the official said.

**More Scholarships Planned for Foreign Students**  
*OW2602074594 Tokyo KYODO in English 0701 GMT*  
*26 Feb 94*

[Text] Tokyo, Feb. 26 KYODO—The government will establish a scholarship scheme for overseas students to study at Japanese universities on a short-term basis in fiscal 1994 beginning in April, government sources said Saturday [26 February].

The sources said that in its first year of operation, the scholarship program will pay 100,000 yen a month to 100 South Korean students each for up to one year of study at universities in Japan.

Prime Minister Morihiro Hosokawa will officially announce the program in talks with South Korean President Kim Yong-sam who is scheduled to arrive in Japan for an official visit on March 24.

Japan's public and private universities have some 2,700 exchange agreements with foreign universities.

One source at the Education Ministry's student exchange division said that of these, 142 are with universities in South Korea, but because of the high cost of living in Japan, only 20 or 30 South Korean students a year study in Japan under existing scholarship programs.

As a result, many universities have appealed to the ministry to introduce some form of support for overseas students.

During a visit to South Korea in November, Hosokawa promised Kim to expand the Japanese Government's intake of students.

The sources said the number of students covered by the scholarships and the countries they come from will be increased from fiscal 1995.

Applicants for the scholarships should apply through the university of their choice from July.

## **Cabinet Reshuffle Controversy Continues**

### **Could Cause Coalition 'Collapse'**

*OW0103142094 Tokyo KYODO in English 1402 GMT  
1 Mar 94*

[Text] Tokyo, March 1 KYODO—Prime Minister Morihiro Hosokawa said Tuesday that he will make a decision Wednesday on whether to immediately reshuffle his nearly seven-month-old cabinet. Hosokawa made the remark to reporters following a series of separate meetings with coalition party leaders to seek agreement on his plan to shake up the cabinet.

The prime minister also hinted at pushing for the reshuffle even if coalition partners remain divided over the matter, saying "it is very difficult for all the coalition parties to see eye-to-eye (on the issue)." Hosokawa said a cabinet shake-up without receiving full consent from each of the coalition partners is "theoretically possible."

The primary purpose of the cabinet reorganization is widely believed to be the replacement of Chief Cabinet Secretary Masayoshi Takemura, top governmental spokesman and chief of staff, who has been at odds with Hosokawa over several of the government's important policy themes.

Takemura told Hosokawa in a meeting that a cabinet reshuffle could lead to the collapse of the coalition government, sources said. Takemura maintains he will not take another cabinet post if Hosokawa changes his cabinet, the sources said.

The sources said the two men also have not seen eye-to-eye over the course of the seven-party coalition, with Hosokawa favoring closer ties with Shinseito [Japan Renewal Party] and Komeito and Takemura against it.

Among the seven coalition parties, the Social Democratic Party (SDP), the Democratic Socialist Party (DSP) and the Sakigake (Harbinger) headed by Takemura are opposed to an early cabinet reshuffle, while Shinseito and Komeito are endorsing the premier's plan.

SDP Chairman Tomiichi Murayama asked Hosokawa to drop his intention for an early shake-up, saying he spoke of the need for the cabinet to be united to tackle economic issues and expressed his objection to Hosokawa's plan.

Hosokawa explained he wanted to focus on pressing economic issues such as strained trade ties with the U.S. and economic deregulation and sought the SDP's cooperation, Murayama said.

Murayama reiterated that the government must concentrate on passing the fiscal 1994 state budget as early as possible as a way to breathe life into the ailing Japanese economy.

DSP Chairman Keigo Ouchi also expressed his opposition to a hasty cabinet reshuffle at a meeting with Hosokawa.

Ouchi told reporters he called on Hosokawa to discuss the fate of Takemura.

Hosokawa also cited as a major reason for the plan growing complaints within the ruling coalition and from bureaucrats about Takemura's work as the top government spokesman and chief policy coordinator, said Ouchi who serves as health and welfare minister.

Shinseito leader Tsutomu Hata, meanwhile, told Hosokawa that the party will support the scheme to reshape the cabinet.

Hata, who serves as foreign minister and deputy prime minister, said he notified Hosokawa of his backing in a meeting at the premier's official residence.

"Behind the premier's plan is his desire to run the cabinet more smoothly." We support that kind of notion," said Hata who heads the core party in the alliance along with Ichiro Ozawa, a chief coalition strategist.

### **Foreign Minister Backs Plan**

*OW0103115694 Tokyo KYODO in English 1139 GMT  
1 Mar 94*

[Text] Tokyo, March 1 KYODO—Shinseito [Japan Renewal Party] leader Tsutomu Hata said Tuesday that Shinseito will support Prime Minister Morihiro Hosokawa's scheme to reorganize the seven-month-old cabinet.

Hata, who serves as foreign minister and deputy prime minister, said he notified Hosokawa of his backing in a meeting at the premier's official residence.

"Behind the premier's plan is his desire to run the cabinet more smoothly," Hata told reporters. "We support that kind of notion."

### **Ouchi Expresses Opposition**

*OW0103110794 Tokyo KYODO in English 1036 GMT  
1 Mar 94*

[Text] Tokyo, March 1 KYODO—Democratic Socialist Party (DSP) Chairman Keigo Ouchi said Tuesday he expressed opposition to an immediate cabinet reshuffle in a meeting with Prime Minister Morihiro Hosokawa.

After emerging from a talk with Hosokawa at the premier's official residence, Ouchi told reporters he called on Hosokawa to discuss the fate of Chief Cabinet Secretary Masayoshi Takemura, the apparent focus of the planned cabinet reshuffle.

The DSP leader quoted the premier as saying a cabinet shake-up is necessary to help tackle economic issues such as strained trade ties with Washington and deregulation.

The premier also cited as a major reason for the plan growing complaints within the ruling coalition and from bureaucrats about Takemura's work as the top government spokesman and chief policy coordinator.

Ouchi, who serves as health and welfare minister, was the third leader of a ruling coalition party to be consulted by the premier concerning his plan to reorganize the seven-month-old cabinet, following Takemura and Social Democratic Party Chairman Tomiichi Murayama.

#### **Murayama: Move Should Be Avoided**

*OW0103100994 Tokyo KYODO in English 0954 GMT  
1 Mar 94*

[Text] Tokyo, March 1 KYODO—Social Democratic Party Chairman Tomiichi Murayama said Tuesday he asked Prime Minister Morihiro Hosokawa to drop his plan to immediately reorganize the cabinet.

The SDP chief made the pitch when he and SDP Secretary General Wataru Kubo met with Hosokawa at the premier's official residence for almost an hour.

Murayama said he spoke of the need for the cabinet to be united to tackle economic issues and expressed his opposition to an early cabinet reshuffle.

"We think something that creates a crack in the cabinet should be avoided," he asserted.

Hosokawa explained he wanted to focus on pressing economic issues such as strained trade ties with the United States and deregulation and sought the SDP's cooperation, Murayama said.

The SDP chairman reiterated that the government must concentrate on passing the fiscal 1994 state budget as early as possible as a way to breathe life into the ailing Japanese economy.

#### **Hosokawa, Party Chiefs Meet**

*OW0103085894 Tokyo KYODO in English 0830 GMT  
1 Mar 94*

[Text] Tokyo, March 1 KYODO—Prime Minister Morihiro Hosokawa on Tuesday started holding separate talks with other party leaders in the ruling coalition to seek agreement on reshuffling his cabinet, possibly on Thursday.

Hosokawa has been trying to get rid of Chief Cabinet Secretary Masayoshi Takemura, the top government spokesman and leader of Sakigake (Harbinger), for openly challenging his plans to introduce a national welfare tax, political sources said.

"The prime minister said he would like to carry out a cabinet reshuffle if conditions permit," Takemura said at an afternoon press conference, adding he reiterated his opposition to a cabinet change.

The sources said the two men also have been at odds over the course of the seven-party coalition, with Hosokawa favoring closer ties with Shinseito [Japan Renewal Party] and Komeito and Takemura against it. [passage omitted containing previously filed material]

SDP Chairman Tomiichi Murayama restated his opposition to an immediate reshuffle, saying Diet passage of the national budget for fiscal 1994 beginning April 1 should be the top priority.

"It is necessary to have the budget passed through the Diet as quickly as possible," he told a news conference. He said Hosokawa "should restrain himself and avoid a cabinet shake-up at this time."

Hosokawa is scheduled to deliver his policy speech to the Diet on Friday, and sources close to the 56-year-old premier said he hopes to reshuffle his near seven-month-old cabinet by then.

Hosokawa and his supporters in the coalition reportedly favor replacing Takemura in addition to Finance Minister Hirohisa Fujii due to a money scandal and International Trade and Industry Minister Hiroshi Kumagai because of a dispute with bureaucrats over the firing of Masahisa Naito, chief of the ministry's industrial policy bureau.

Manae Kubota, director general of the Economic Planning Agency, is also likely to be relieved of her duties, sources said.

Murayama of the SDP, the largest force in the coalition, said he will reiterate his opposition to an early cabinet reshuffle when he meets with Hosokawa later Tuesday. He said it should wait until after the budget program wins Diet approval.

The SDP chief predicted Hosokawa will eventually have to give up his plan for an immediate changeover.

Asked what he would do if asked to join a new cabinet, Murayama replied that he has not given serious thought to such a possibility, saying, "I haven't heard any such proposal at all."

Hosokawa told a House of Representatives panel on political reform that the government has time to change the cabinet because it has overcome its most difficult tasks—political reform and completing the Uruguay Round of world trade talks.

Koken Nosaka, chairman of the Social Democratic Party's Diet affairs committee, told a news conference the SDP opposes a reshuffle. "We believe now is not an appropriate time," he said.

He also said it is better to wait until after the Diet approves the fiscal 1994 state budget, expected in early May.

Hosokawa formed the cabinet last August to carry out political reforms, and apparently thinks the cabinet will have accomplished its purpose when amendments to the political reform legislation are approved by the Diet on Thursday or Friday, the sources said. The legislation was enacted in January.

Shinseito leader Tsutomu Hata said he understands moves to remove Takemura from his present post, adding that a party head assuming the post of chief cabinet secretary has a difficulty in helping a prime minister as a close aide in the coalition government.

Hata, who is also deputy prime minister and foreign minister, said party leaders do not necessarily share the prime minister's views, as they belong to different parties.

For his part, Hata flatly denied he will assume the post of chief cabinet secretary.

### Nosaka: Not 'Appropriate' Time

OW0103051494 Tokyo KYODO in English 0500 GMT  
1 Mar 94

[Text] Tokyo, March 1 KYODO—Prime Minister Morihiro Hosokawa is to hold separate talks with other party leaders in the ruling coalition to seek agreement on reshuffling his cabinet, political sources said Tuesday.

Chief Cabinet Secretary Masayoshi Takemura told a news conference, however, that it is unclear whether Hosokawa will have talks with the coalition leaders.

Hosokawa reiterated his hope for an early cabinet reshuffle, saying he will make up his mind in a day or two on whether to make changes.

He told a House of Representatives panel on political reform, that the government has time to change the nearly seven-month-old cabinet as it has overcome its most difficult tasks—political reform and completing the Uruguay Round of world trade talks.

Koken Nosaka, chairman of the Social Democratic Party's [SDP] Diet Affairs Committee, told a news conference his party is opposed to an immediate cabinet shake-up. "We believe now is not an appropriate time," he said. He also said it is better to wait until after the Diet approves the fiscal 1994 state budget, expected in early May.

Hosokawa is considering drastically shaking up the cabinet and his planned reshuffle is expected to center on removing Chief Cabinet Secretary Takemura from that key post.

Hosokawa formed the cabinet last August to carry out political reforms, and he apparently thinks the cabinet will have accomplished its purpose when amendments to the political reform legislation are approved by the Diet on Thursday or Friday, the sources said. The legislation was enacted in January.

Komeito Chairman Koshiro Ishida, who is also director general of the Management and Coordination Agency, said he is opposed to the meetings between Hosokawa and the other coalition leaders, which the sources said could take place as early as Tuesday.

Ishida said the prime minister has the right under the Constitution to make changes in his cabinet.

Tsutomu Hata, head of Shinseito, one of the seven coalition parties, said in a lecture to a group of SDP Diet members that he opposes a "drastic cabinet reshuffle," which he said would trigger political confusion. Despite his opposition to a large-scale shake-up, he backs the removal of Takemura from his post.

Hata said he understands moves to remove Takemura from his present post, adding that a party head assuming the post of chief cabinet secretary has a difficulty in helping a prime minister as a close aide in the coalition government. Takemura heads Sakigake, a coalition party with close ties with Hosokawa's Japan New Party.

Hata, who is also deputy prime minister and foreign minister, said party leaders do not necessarily share the prime minister's views, as they belong to different parties.

For his part, Hata flatly denied he will assume the post of chief cabinet secretary.

The coalition parties have split over Hosokawa's reshuffle plan, with SDP, the Democratic Socialist Party and Sakigake opposed to dumping Takemura, while Shinseito and Komeito support the plan.

Meanwhile, SDP Chairman Tomiichi Murayama reiterated his opposition to an immediate cabinet reshuffle, saying Diet passage of the national budget for fiscal 1994 beginning April 1 should be the top priority.

"It is necessary to have the budget passed through the Diet as quickly as possible," he told a news conference. He said Hosokawa "should restrain himself and avoid a cabinet shake-up at this time."

Murayama said he will reiterate his opposition to an early cabinet reshuffle when he meets with Hosokawa later Tuesday. The premier has yet to ask for a meeting, he added.

The SDP chief predicted Hosokawa will eventually have to give up his plan for an immediate reshuffle.

He said a cabinet shake-up should wait until after the budget program wins Diet approval.

Asked what he would do if asked to join a new cabinet, Murayama said he has not given serious thought to such a possibility, and that "I haven't heard any such proposal at all."

### Hashimoto Suggests Making Parties 'Nonprofit'

OW2802090994 Tokyo KYODO in English 0827 GMT  
28 Feb 94

[Text] Tokyo, Feb. 28 KYODO—Ryutaro Hashimoto, chairman of the opposition Liberal Democratic Party's [LDP] Policy Affairs Research council, said Monday [28

February) that political parties should be accorded the status of nonprofit organizations when it comes to accepting donations.

Hashimoto said at the Foreign Correspondents' Club of Japan that the ruling coalition has not demonstrated support for the idea, which has been pressed by the LDP.

He also said it would take considerable time for the next general election to be held if it is conditioned on firm establishment of the new electoral system and sufficient promotional activities targeting public opinion.

He said no one should completely rule out the possibility of the House of Representatives being dissolved and new elections being held under the current electoral system.

Asked about Japan's chronic and mounting trade surpluses, Hashimoto suggested it could be ameliorated somewhat if Japan were to procure materials from Europe and North America to use as aid for particular regions of the world.

#### **Revised Reform Package Clears Lower House**

*OW0103051094 Tokyo KYODO in English 0427 GMT  
1 Mar 94*

[Text] Tokyo, March 1 KYODO—The House of Representatives approved a revised package of political reform measures on Tuesday [1 March], hours after approval by a political reform panel.

The package was sent to the House of Councillors.

The revised package, jointly submitted to the Diet by the governing coalition and the opposition Liberal Democratic Party (LDP), features changes in the districts of proportional representation for lower house elections and in corporate donations to political fund-raising organizations.

The original government package banned corporate donations to politicians and their fund-raising organizations, but the revised bills will allow firms to donate up to 500,000 yen per year during the next five years as a temporary provision.

The package maintains that 300 seats in the lower house will be elected through a single-seat constituency system and the remaining 200 by a system of proportional representation. Current lower house members are elected from constituencies with two to six seats.

The package was passed on January 29 at the last extraordinary session of the Diet shortly after Prime Minister Morihiro Hosokawa and LDP President Yohei Kono agreed that the amendments and date of enforcement would be discussed during the current ordinary session.

On February 24, the ruling coalition and the LDP agreed on the revisions weeks after discussions of the package began.

Lower house elections based on the political reform legislation will be able to commence after a bill on the locations of the 300 single-seat constituencies clears the parliament.

#### **Hosokawa's Defense Panel Reviews Policy**

*OW2802011094 Tokyo KYODO in English 0051 GMT  
28 Feb 94*

[Text] Tokyo, Feb. 28 KYODO—A private panel on defense set up by Prime Minister Morihiro Hosokawa to review Japan's two-decade old basic defense outline held its inaugural meeting Monday [28 February].

"As the world has changed dramatically after the collapse of the Cold War structure, our country's handling of defense and security must change as well," Hosokawa said in welcoming the nine panel members.

He called on the group to discuss new defense policies "from a stance that takes into account the changed international situation, technological progress and economic and human resources."

The panel is expected to put forward recommendations until July for a revision of the national defense program outline, which has served as Japan's basic defense policy since 1976.

The program calls for the government to maintain security arrangements against large-scale attacks and also to build up Japan's own defense capabilities to repel limited-scale invasion.

Based on the panel's recommendations, defense policies, including Japan's future role in United Nations-led peacekeeping operations, will likely be revised in time for inclusion in the defense agency's budget requests for fiscal 1995.

The panel groups Kuniko Inoguchi, a Sophia University professor, Yoshio Okawara, former ambassador to the United States, Bank of Tokyo Chairman Toyoo Gyohten, and Makoto Sakuma, former chairman of the Joint Staff Council.

The other members are Seiki Nishihiro, former vice minister for the Defense Agency, Hirotaro Higuchi, chairman of ASAHI Breweries Ltd., Shinji Fukukawa, vice president of Kobe Steel Ltd., Ken Moroi, chairman of Chichibu Cement Co., and Akio Watanabe, an Aoyama Gakuin University professor.

#### **'Changed International Situation'**

*OW2802033894 Tokyo KYODO in English 0252 GMT  
28 Feb 94*

[Text] Tokyo, Feb. 28 KYODO—A private panel on defense created by Prime Minister Morihiro Hosokawa kicked off discussion Monday with an eye toward reviewing Japan's two-decade-old defense policies.

"As the world has changed dramatically after the collapse of the Cold War structure, our country's handling of defense and security must change as well," Hosokawa said at the outset of the inaugural meeting of the panel.

The premier called on the forum to debate new defense policies "from a stance that takes into account the changed international situation, technological progress and economic and human resources."

Hiroto Higuchi, chairman of ASAHI Breweries Ltd., was elected as chairman of the nine-member group, with Ken Moroi, chairman of Chichibu Cement Co., as acting chairman.

Higuchi later told reporters the panel will discuss the background and the underlying philosophy of the national defense program outline, which has served as Japan's basic defense policy since 1976, as well as the current international situation.

The next meeting of the panel is scheduled for March 9.

The group will offer recommendations to Hosokawa by around summer for a revision of the national defense program outline after debating overall defense matters once a week, Higuchi said.

The program calls for the government to maintain security arrangements against large-scale attacks and also to build up Japan's own defense capabilities to repel limited-scale invasion.

Based on the panel's recommendations, defense policies, including Japan's future role in United Nations-led peacekeeping operations, will likely be revised in time for inclusion in the Defense Agency's budget requests for fiscal 1995.

The nine members include Kuniko Inoguchi, a Sophia University professor, Yoshio Okawara, former ambassador to the United States and currently special adviser to the Federation of Economic Organizations (Keidanren), Bank of Tokyo Chairman Toyoo Gyohten, and Makoto Sakuma, former Joint Staff Council chairman and currently special consultant for Nippon Telegraph and Telephone Corp.

The other members are Seiki Nishihiro, former vice minister for the Defense Agency and currently adviser to Tokyo Marine and Fire Insurance Co., Shinji Fukukawa, vice president of Kobe Steel Ltd., and Akio Watanabe, an Aoyama Gakuin University professor.

**Rally Commemorates Vessel's Nuclear Mishap**  
*OW0103125894 Tokyo KYODO in English 1228 GMT  
1 Mar 94*

[Text] Shizuoka, March. 1 KYODO—Participants in a rally appealed Tuesday [1 March] to rid the world of nuclear weaponry as they gathered to commemorate the 40th anniversary of a nuclear mishap involving a Japanese fishing vessel in the Pacific Ocean.

Some 1,600 members of peace organizations and religious groups across the country took part in the rally held in Yaizu, Shizuoka Prefecture, to commemorate the nuclear incident, which occurred off the Bikini atoll in the South Pacific on March 1, 1954.

In the so-called lucky dragon incident, the Japanese fishing boat No. 5 Fukuryu Maru ("Lucky Dragon V"), which was based in Yaizu, was showered by a cloud of radioactive ash after the United States conducted a thermonuclear bomb test some 135 kilometers to the west of where the ship was conducting fishing operations.

Most of the 23 crew members suffered nausea, pain and skin inflammation and one of the crew later died.

The incident sparked outcries in Japan against the U.S. testing of nuclear weapons and attracted worldwide interest in the influence of radioactivity on the human body.

At the rally, the participants adopted a resolution calling for the dismantling of all nuclear arms while the radiation victims or their bereaved families are still alive.

Among the participants was John Anjani, who was then mayor of a village near the atoll and was also exposed to radioactive ash, and Anthony Guarisco, chairman of an association of U.S. veterans who fell victim to radioactivity from atomic testing.

**BOJ: Overall Wholesale Prices Down in Feb**  
*OW2802093594 Tokyo KYODO in English 0907 GMT  
28 Feb 94*

[Text] Tokyo, Feb. 28 KYODO—Japan's overall wholesale prices fell 0.3 percent in the second 10 days of February from the previous 10 days, while showing a 3.2 percent dip from a year earlier, the Bank of Japan [BOJ] reported Monday [28 February].

The changes were measured on the central bank's wholesale price index, which stood at 93.5 against the base of 100 for 1990.

Domestic wholesale prices alone were unchanged from the previous 10 days because higher prices for oil, coal and textiles were offset by lower prices for steel.

Compared with year-earlier levels, domestic wholesale prices were down 1.9 percent.

Export prices were unchanged from the previous 10 days in terms of currencies in which they were contracted, but up 4.7 percent from a year earlier.

In yen terms, export prices were down 2.5 percent from the previous 10 days and down 6.2 percent from a year earlier.

Import prices were down 1.6 percent in yen terms from the previous 10 days and down 12.9 percent from a year earlier.

In terms of currencies used for signing contracts, import prices were up 0.1 percent from the preceding 10 days but down 2.9 percent from a year earlier.

#### **Advisory Panel Seeks Efficient Oil Supply**

*OW2802101394 Tokyo KYODO in English 0954 GMT 28 Feb 94*

[Text] Tokyo, Feb. 28 KYODO—A government panel on Monday [28 February] called for Japan to establish a stable and efficient method of ensuring oil supplies.

The Petroleum Council, an advisory body to the trade minister, held the first meeting of its subcommittee in charge of studying basic problems in the nation's oil policy.

The meeting is designed to infuse efficiency and competitiveness into the oil industry amid a growing call for deregulation in the industry and a shrinkage in a petroleum product price gap between Japan and overseas, said an official of the Ministry of International Trade and Industry.

The panel will map out an interim report in the middle of June in line with recommendations in a report prepared last year by the Advisory Group for Economic Restructuring, an advisory organ to the prime minister, the official said.

The report said rules and regulations in the oil industry should be reduced to "the minimum level necessary."

#### **Agency: Jobless Rate 'Inched Down' in Jan**

*OW0103014394 Tokyo KYODO in English 0105 GMT 1 Mar 94*

[Text] Tokyo, March 1 KYODO—Japan's jobless rate inched down 0.1 percentage point to a seasonally adjusted 2.7 percent in January from December, the first fall in four months, the Management and Coordination Agency reported Tuesday [1 March].

The January jobless rate remained at a high level, following an identical 2.7 percent in October and November and a revised 2.8 percent in December, the agency said in a preliminary report.

The December jobless rate was first reported as 2.9 percent, the highest since June 1987 when it stood at 3.0 percent to close in on the postwar high of 3.1 percent posted in May 1987.

The January jobless rate represents a decline of 0.4 percentage point from a year earlier.

In a separate report, the Labor Ministry said the ratio of job offers to job seekers, an indicator of demand for labor, rose to 0.67 in January from 0.65 in December, meaning that there were 67 jobs for every 100 people looking for work.

The dismal job reports come as many Japanese corporations are grappling with excessive labor forces in the wake of the prolonged recession.

According to the agency's report, the number of jobholders edged up 0.5 percent or 300,000 from a year earlier to 63.26 million in January, a bigger increase than December's 100,000.

The number of people out of work jumped 21.1 percent or 320,000 to 1.84 million as the manufacturing sector continues to fall victim to corporate moves to trim work forces.

In the manufacturing sector alone, the number of jobholders fell 2.7 percent or 410,000 to 14.84 million for the 15th consecutive monthly dip.

The long stretch of decline apparently reflects a growing trend among manufacturers toward shifting production abroad in a bid to cope with the negative effects of the stronger yen.

Employment in the agriculture sector also fell but that in the construction, wholesale, retail and food sectors increased from year-earlier levels.

Japan's unemployment rate would be higher if tallied by U.S. or European methods as members of the Self-Defense Forces and people working more than one hour in the last week of the month are counted as employed.

### **North Korea**

#### **Government Accepts Contact for Special Envoys**

*SK0103040394 Pyongyang Korean Central Broadcasting Network in Korean 0302 GMT 1 Mar 94*

[Text] Pak Yong-su, head of our side's delegation to the contact of working-level delegates for the exchange of special envoys of the North and South, today sent the following telephone message to Song Yong-tae, the South side's senior delegate:

Four months have passed since the contact of working-level delegates for exchange of top-level special envoys [choegowigubui tuksa] of the North and South, which had taken place amid attention at home and abroad, was suspended.

As is well known, our side proposed an exchange of top-level special envoys of the two sides last May out of an earnest desire to reach a new turning point in North-South relations and the resolution of the reunification issue, and made every effort to implement this proposal at the earliest possible date. And, finally, the two sides had three working-level contacts. However, contrary to what we did, your side constantly pursued nuclear war exercises and an international cooperation system, which negate dialogue. Moreover, at a time the fourth contact was imminent, your side made the violent remarks [pogon] that it would be ready to take military countermeasures [kunsajok taegungdo pulsahal] against

the dialogue partner. In this way, your side committed an unreasonable [ondangchimothan] act that discontinued [tujol] the working-level talks.

Our side duly sounded an alarm [ungdanghan kyongjongul ulligo] concerning this act by your side and repeatedly called on your side to assume an attitude befitting dialogue [tachwau ipchang]. However, your side continued the Hwarang, Foal Eagle-93, and other adventurous nuclear war exercises and built an artificial barrier to our working-level contact.

If your side had sincerely dealt with [songuirul kajigo tachada] the exchange of special envoys, our working-level contact would have already been concluded [kyolsok] long ago, special envoys would have visited Pyongyang and Seoul, and pending issues acutely raised between the North and South would have been resolved.

I think it is very regrettable that our working-level contact has so far not been on the right track [orun kwedoeso] and has not been able to duly contribute to developing North-South relations.

A North-South exchange of special envoys is an urgent task [cholpakhan kwaje] that cannot be delayed even for a moment.

Therefore, I think it is fortunate that your side has proposed resuming the working-level contact for the exchange of special envoys.

Our side consents to [tongui] your side's proposal to resume the working-level contact, acknowledging [injonghamyonso] that your side assumed the position to resume the working-level contact for the exchange of special envoys because your side accepted our demand that your side discontinue all large-scale nuclear war exercises against the dialogue partner and abandon the international cooperation system concerning the nuclear issue.

Therefore, we will go to your side's area in Panmunjom at 1000 on 3 March, Thursday, according to pertinent visit procedures to hold the fourth working-level contact.

#### KCNA Reports North Proposal

SK0103105594 *Pyongyang KCNA in English 1045 GMT 1 Mar 94*

[Text] Pyongyang, March 1 (KCNA)—Pak Yong-su, head of the North side to the working contact for the exchange of special envoys between the North and the South, in his telephone message to the chief delegate of the South side today notified that the North will go to the South side's portion of Panmunjom at 10:00 [0100 GMT] March 3, following appropriate procedures of travel, to have the fourth working contact.

"We consider that the South side's stand for the resumption of the working contact for the exchange of special envoys is motivated by its acceptance of our demand for a stop to all the large-scale nuclear war exercises against

the dialogue partner and renunciation of 'an international cooperation system' over the nuclear issue," the message said.

Recalling that the South side had created artificial obstacles to the working contact, continuing adventurous nuclear war manoeuvres, it said: "If the South side approached the exchange of special envoys between the two sides with sincerity, the working contact would have been concluded long ago and special envoys would have traveled to Pyongyang and Seoul, and the urgent pending questions raised between the North and the South would have been solved."

#### IAEA Inspection Team Arrives in Pyongyang

OW0103123694 *Tokyo KYODO in English 1159 GMT 1 Mar 94*

[Text] Beijing, March 1 KYODO—A seven-member inspection team arrived in Pyongyang on Tuesday to resume inspections of North Korea's seven declared nuclear facilities after a lapse of more than a year, informed sources in Beijing said. The inspections are expected to take about two weeks.

The team members, led by Olli Heinonen, left Beijing earlier in the day, where they arrived on Monday from Vienna. North Korea agreed to the inspections by the International Atomic Energy Agency (IAEA) on Friday in New York at a working-level meeting with U.S. Officials.

North Korea allowed six inspections of its declared nuclear sites in 1992, but threatened to pull out of the Nuclear Nonproliferation Treaty last March when pressed to allow checks of two undeclared facilities suspected of being related to a clandestine nuclear arms development program. Inspections of the six declared facilities in the Yongbyon nuclear complex, some 90 kilometers north of Pyongyang, and one site at Kim Il-song University in the North Korean capital are expected to get under way Wednesday. The inspections, however, will not include the two undeclared sites suspected of being nuclear waste storage facilities that could reveal the nature of the North Korean nuclear program.

IAEA inspectors have said that to make the checks meaningful they would have to examine the nuclear fuel rods to determine if plutonium, which could be used in the manufacture of an atomic arsenal, had been extracted.

The issue of inspecting the two undeclared sites at Yongbyon and examining the nuclear fuel rods has been left to the next round of high-level talks between Washington and Pyongyang, which according to North Korean officials is scheduled for March 21 in Geneva.

Meanwhile, Pyongyang rejected a South Korean request on Tuesday to reopen the inter-Korean dialogue, proposing instead to meet Thursday at the border truce village of Panmunjom. In response to the delay, the

South Korean Government held off its decision to cancel the "Team Spirit" U.S.-South Korea joint military exercises.

Reopening the inter-Korean dialogue and calling off the military exercises had been half of a four-item agreement reached February 25 in a working-level meeting in New York between U.S. and North Korean representatives. The agreement had been reached to ensure IAEA inspectors access to the North Korean facilities.

Although Pyongyang had agreed with the IAEA on February 15 to permit the checks, it held back issuing the necessary visas to the inspection team and demanded that a date be set for a third round of high-level talks with the U.S.

Following the meeting in New York, North Korean representatives said that the third round would open March 21 in Geneva, but Washington is insisting that Seoul-Pyongyang talks on the exchange of special envoys be initiated first. North and South have agreed to make the Korean peninsula nuclear-free, but North Korea has insisted that the issue can only be resolved through a bilateral dialogue with Washington.

#### **Editorial Condemns Kim Yong-sam's News Briefing**

*SK0103103994 Pyongyang KCNA in English 1024 GMT 1 Mar 94*

**["Fool's Confession and Subterfuge"—KCNA headline]**

[Text] Pyongyang, March 1 (KCNA)—The traitor Kim Yong-sam's utterances at a "press conference" on February 25 were marked by an appeal, confession and poor excuse regarding the failure of his policy towards the North and "reforms" over the last one year, says MINJU CHOSON in a commentary today.

It is the admission of the mistake of his policy toward the North that the traitor Kim Yong-sam mumbled something incoherent as if he would bring about a "change" in the North-South relations, the analyst points out, and goes on:

Nevertheless, the puppet blared he would set the "nuclear issue" as a precondition for the North-South relations in the future, too. This cannot be construed otherwise than a mode of thinking of a fool who is still dancing to the tune of others, without his own principle.

It is the United States which invented "suspicion of nuclear development by the North" and is posing a nuclear threat to the DPRK after bringing nuclear arms into South Korea. Such being the case, if the puppets want a solution to the nuclear issue, they must not obstruct the DPRK-U.S. talks but demand the withdrawal of the U.S. nuclear weapons from South Korea. To set the fiction of "nuclear issue" as a precondition of the North-South relations is tantamount to a declaration

that they will go along the road of confrontation and war, provoking us, this year, too.

The puppet told a lie to mislead public opinion when he talked about "summit talks", suspension of the "Team Spirit" joint military exercises and "joint economic development".

He driveled that he had devoted his "body and soul to the promotion of changes and reforms" for one year, expatiating on "trouble" and "efforts". South Korea, however, remains a colony ruled by outside forces and the military dictatorship has turned into a more intelligent "civilian" dictatorship in this period.

Branding the struggle of the people for independence, democracy and reunification as illegal, the puppet threatened that he would not "allow" it and prattled that he would accept "criticism and advice". This revealed his intention to resort to double-dealing tactics of repression with bayonet and appeasement and deception.

The "press conference" has proved once again that with the traitor Kim Yong-sam left alone, it is impossible to solve the internal problems of South Korea or the North-South relations.

Such fool as the traitor Kim Yong-sam must be removed at an early date not only for the independence and democracy of the South Korean society but also for the acceleration of the reunification of the country through the improvement of the North-South relations.

#### **Agricultural Crisis in South Said 'Worsening'**

*SK0103073394 Pyongyang KCNA in English 0455 GMT 1 Mar 94*

[Text] Pyongyang, February 28 (KCNA)—The national agricultural conference now in session here marking the 30th anniversary of the publication of the rural theses is reviewing with pride the achievements made in the implementation of the theses and discussing the tasks to bring socialist rural construction to a higher stage.

But, South Korea is witnessing a vigorous struggle of the farmers who suffered a crop failure due to flood and drought last year and are now deprived of their means of livelihood due to the Kim Yong-sam group's opening of the rice market.

South Korea's agriculture is in a serious crisis due to the anti-popular agricultural policy of the authorities. Last year South Korea was hit by the worst crop failure in ten years. According to data released by the "Ministry of Agriculture, Forestry and Fisheries," the output of rice was 606,000 tons less than the previous year.

In South Korea, which was once called a bread basket, the self-sufficiency rate of grain is on a steady decrease with a crop failure every year. The rate was 80.5 percent in 1970, and it dropped to 2 percent after 1981.

Meanwhile, the amount of annually imported grain jumped to 12 million tons from 5.05 million tons in the 1980-1992 period.

The ever-worsening crisis in agriculture and food forces an increasing number of farmers to leave the countryside.

Nevertheless, the Kim Yong-sam puppet clique declared the treacherous rice market opening in December last year. When it is put into practice, the amount of imported grain of South Korea will grow to 15 million tons sooner or later and the self-sufficiency rate of grain will drop below ten percent. Two to three million more farmers will leave the countryside, the devastation of the rural areas will be precipitated and the socio-economic conditions of the working people as a whole will go from bad to worse.

**Reports of Country's 'Economic Crisis' Refuted**  
*SK2802233694 Pyongyang KCNA in English 2327*  
*GMT 28 Feb 94*

["Base Misrepresentation of DPRK's Developing Economy"—KCNA headline]

[Text] Pyongyang, February 28 (KCNA)—The United States, Japan and the South Korean puppets are reportedly getting overheated in spreading rumors about the "economic crisis" of the Democratic People's Republic of Korea with the mobilization of their paid media.

They are grossly misrepresenting the situation of our developing socialist economy by abusing the communique of the 21st plenary meeting of the Sixth Central Committee of the Workers' Party of Korea on the fulfilment of the Third Seven-year Plan (1987-1993). They allege that "North Korea is in a serious condition, undergoing enormous trials for its failure to attain the targets of industrial production" and "its self-sufficiency in food has come a cropper from a long ago."

This is an intolerable distortion of the invincible might of the socialist economy of the DPRK, which is vigorously advancing along the road of independence and self-reliance, unaffected by whatever fluctuation of the international situation and of our reality in which all the people of the country fully enjoy an abundant material and cultural life. It is also a despicable political propaganda offensive to isolate and stifle the DPRK.

As was reported by the afore-said communique, we made a new great progress in all sectors of the socialist economic construction during the Third Seven-year Plan in spite of the collapse of socialism in the former Soviet Union and other European countries, the disappearance of the world socialist market and a chain of other international events and changes in the complicated external environments.

In this period, the industrial output jumped 1.5 times and its average annual growth rate reached 5.6 percent in our country.

The power, coal and non-ferrous metal ore output increased respectively 1.3, 1.4 and 1.6 times, with the result that the nation's material and fuel bases have been expanded and strengthened.

The steel output increased 1.3 times and all the sectors of the machine-building industry rapidly developed to achieve a great progress in the mechanization, automation, robotization and computerization of the production processes.

The output of chemical fertilizers went up 1.5 times, their qualitative composition was further improved and solid foundations for the completion of the chemicalization of agriculture have been laid.

A great progress was also made in light industry to bring about a new turn in the production of consumer goods.

Garment, food and daily necessities industries rapidly developed, locally-controlled industrial factories were updated and dependable local raw material bases built, with the result that the local industrial output jumped 1.7 times.

In agricultural domain, 10,400 kilometres long waterways were excavated and more than 12,400 pumping stations and 192 reservoirs were built.

The amount of chemical fertilizers applied to agriculture was raised 1.4 times and their qualitative composition improved.

In our country where the objective of ten million tons of grain was attained already in the '80s, irrigation, electrification, mechanization and extensive use of chemicals have been realised and farming has been placed on a scientific and technical basis as required by the *chuche* method of farming to reap a rich harvest every year.

In fisheries, more than 1,100 fishing boats including stern trawlers of 3,750 tons and above were built and fishing boats and fish processing facilities briskly modernized to further consolidate the material and technical foundations of fisheries.

In the period, Kwangbok and Thongil Streets took shape and more than 100,000 modern flats were built in Pyongyang, which means that residential houses for more than one million families were built in towns and rural communities of the country.

Our people are leading a happy material and cultural life, enjoying free medical care, free education and other socialist benefits, without worries about food, clothing and housing.

The consolidation of our socialist economic and material foundations and the considerable improvement of the people's living clearly prove the invincible vitality of our

independent national economy, which is developing on the basis of the *chuche* idea, unaffected by the imperialists' economic blockade and the worldwide fluctuation.

Nevertheless, the media serving the imperialists are zealously spreading rumors about our "economic crisis," motivated by a foolish attempt to undermine the external authority and prestige of our Republic, tar the image of Korean-style socialism centred on the popular masses and crush the hope and confidence of the world progressive people in socialism.

They must look squarely at the unshakable will and faith of our people, give up the foolish dream of stifling our Republic and promptly stop the anti-DPRK false political propaganda.

#### **Hanminjon Publishes Appeal to People of South**

*SK2702993694 Pyongyang KCNA in English 0824 GMT 27 Feb 94*

[Text] Pyongyang, February 27 (KCNA)—The Central Committee of the South Korean National Democratic Front (Hanminjon) published a manifesto on February 23 calling upon the South Korean people to check and frustrate the moves of the U.S. imperialist aggressors and the Kim Yong-sam traitorous group who are bringing dark clouds of nuclear war on the pretext of the fictitious "nuclear problem of the North", the Seoul-based radio Voice of National Salvation reported.

The manifesto branded Kim Yong-sam, a pro-American sycophant traitor and warmaniac, as a war servant driving to the extremes in the van the crisis of a war that might impose more hideous national calamities than the tragedy of national division upon the Korean nation which has been subjected to national misfortunes and hardships, falling a victim to the games of outside forces.

The basic target of the anti-war, anti-nuke struggle is the U.S. aggression forces, it says, stressing the need to kindle fiercer flames of the national-salvation struggle across South Korea for the withdrawal of the U.S. imperialist aggression forces trying to force a nuclear war and their nuclear weapons under the banner of anti-U.S. independence.

It also calls for further expanding the struggle against Kim Yong-sam, a dyed-in-the-wool pro-American sycophant traitor and heinous war fanatic.

The manifesto stresses:

The "suspected nuclear development of the North" is a fiction invented with the wicked intention of finding an excuse for blocking a peaceful reunification of the Korean peninsula, increasing the tensions there and unleashing a war against the North.

All the people who really love the country and the nation and want national reunification should reject the fiction of "suspected nuclear development" of the North, oppose the campaign for pressure on the North and

decisively rise in struggle to smash the scheme for "international cooperation system", a treacherous act of dependence on outside forces, transcending the difference in ideology, idea, system and affiliation.

The anti-war, anti-nuke struggle with main stress on the anti-U.S., anti-Kim Yong-sam struggle can be crowned with a brilliant victory only when it is developed into a mass struggle involving all the classes, strata and forces opposed to war and aspiring after peace.

#### **Kim Chong-il Receives Chongnyon Delegate**

*SK2802222494 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 28 Feb 94*

[Text] The supreme commander of the Korean People's Army (KPA), Comrade Kim Chong-il, has met with Ho Chong-man, responsible vice chairman of the Central Committee of the General Association of Koreans Residing in Japan, Chongnyon.

On 28 February, the KPA Supreme Commander Comrade Kim Chong-il met with responsible Vice Chairman of the Chongnyon Central Committee Ho Chong-man, who is visiting the socialist fatherland, upon Ho's request. The respected and beloved Supreme Commander Comrade Kim Chong-il conversed with responsible Vice Chairman Ho Chong-man in a warm atmosphere. Yesterday, the respected and beloved comrade supreme commander arranged a dinner for the responsible vice chairman.

#### **KCNA on Kim Chong-il Meeting**

*SK0103055394 Pyongyang KCNA in English 0456 GMT 1 Mar 94*

[Text] Pyongyang, March 1 (KCNA)—Comrade Kim Chong-il, Supreme Commander of the Korean People's Army, on February 28 met Ho Chong-man, chief vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) staying in the socialist homeland, at his request.

Comrade Kim Chong-il had a conversation with him in an amicable atmosphere.

He arranged a dinner for him.

#### **Daily Objects to Japan Seeking Seat on UNSC**

*SK0103002494 Pyongyang KCNA in English 2206 GMT 28 Feb 94*

["Japan Must Liquidate Her Past Crimes First"—KCNA headline]

[Text] Pyongyang, February 28 (KCNA)—The Japanese reactionary ruling quarters must properly liquidate her past wrongdoings including the crimes in the case of the "comfort women for the army" first by quickly and honestly fulfilling their obligations under the international law, before talking about Japan's "international

contribution" and hankering for "a seat of permanent member of the UN Security Council", says NODONG SINMUN in a by-lined article today with regard to the fact that the question of dealing with Japan's crimes against the "comfort women" has been put on the order of the day recently in the international arena.

Recalling that delegates from different countries, regions and international organizations to the recent 50th meeting of the UN Commission on Human Rights strongly urged Japan to approach the settlement of the "comfort women" issue with a sincere attitude, the article says:

It is an undeniable fact that the Japanese Government is obviously under obligation to take a legal action against those involved in the crimes against the "comfort women" and make compensations to the victims. It is an open secret that the plan of the "comfort women" system was worked out and carried into practice by the Japanese military and government in the past.

Nevertheless, none of those involved in the crimes against the "comfort women" has so far been punished in Japan.

When the international opinion including those drafted as "comfort women for the army" came in demand of punishment of those responsible for it, the Japanese authorities tried to avoid it under this or that pretext.

They allege that those chiefly responsible for the crimes against the "comfort women for the army" cannot be punished because Japan has no domestic law on the trial of the "crimes against humanity" and the period of prescription is past.

This is an open evasion of their obligations under international law, a shameless mockery of and insult to those drafted "comfort women" and human conscience.

Facts fully show that the Japanese authorities have no intention to admit and liquidate the past crimes, the anti-human crime of sexual enslavement in particular.

It is impermissible for the arrogant Japan which has no regard for the international law to take a permanent seat in the United Nations Security Council.

**Document on 'Comfort Women' Distributed at UN**  
*SK2702095194 Pyongyang KCNA in English 0818*  
*GMT 27 Feb 94*

[Text] Pyongyang, February 27 (KCNA)—A document of the International Fellowship of Reconciliation (IFOR) concerning the "comfort women" issue was distributed as an official document of the 50th meeting of the UN Commission on Human Rights.

The document recalls that at the UN sub-commission on prevention of discrimination and protection of minorities held in August, 1993, Japan admitted to the war-time enslavement of "comfort women" by the Japanese Army and Government.

The facts admitted by Japan belong to such paragraphs as expulsion, enslavement, inhumanity and political and racial oppression, crimes against humanity, it says, adding that prescription does not apply to the acts of the Japanese Army and they must be punished by international law.

It says Japan should therefore take necessary measures for the punishment of those responsible for the above-mentioned crimes.

Recalling that in 1932 Japan signed the convention on forced and compulsory labor which was adopted by the International Labor Organisation in 1930, the document notes that the present government should still be obligated for punishment under the convention.

The criminal acts against "comfort women" should have been punished by the then Japanese "law", too, the document says.

It stresses there cannot be any prescription with Japan's obligation under the international law.

It calls attention to the fact that Japan has not yet punished the criminals who had inflicted sufferings upon the more than 200,000 "comfort women for the army".

Noting that Japan still refuses to admit that the acts committed against Asian "comfort women", mostly Koreans, recrimines, the document says such an approach is a disgraceful insult and discrimination against the Asian women.

The document points to some matters, urging the Japanese Government to take all measures including legislature, investigation, trial and punishment and make adequate compensations to all the "comfort women for the army" so as to fulfil its obligations under the international law regarding the punishment of those responsible for the criminal acts committed against the victimized "comfort women".

**Groups Protest Exploitation of 'Comfort Women'**  
*SK2802061494 Pyongyang KCNA in English 0442*  
*GMT 28 Feb 94*

[“Japan Held Responsible for ‘Comfort Women for Army’—KCNA headline]

[Text] Pyongyang, February 28 (KCNA)—Different delegates made speeches with regard to the question of the "comfort women for the army" at the 50th meeting of the United Nations Commission on Human Rights.

The delegate of the Third World Movement Against the Exploitation of Women said Japan had failed to take

effective measures to compensate the "comfort women for the army" and the United Nations must take steps for the punishment of the criminals and an adequate compensation to the victims.

The delegate said that to this end, a step should be taken immediately to set up an international court and establish an international arbitration tribunal so that the Japanese government may deal with suits brought by victims.

The delegate of the World Council of Churches said Japan had not admitted that it was its legal obligation to make an adequate compensation to the "comfort women for the army" but merely repeated that it felt responsible for its crimes.

He said the World Council of Churches demanded that the United Nations Commission on Human Rights put pressure on Japan to punish the criminals and compensate the victims.

The delegate of the International Fellowship of Reconciliation said that if the Japanese law was not enough to punish the criminals involved in the issue of the "comfort women for the army," Japan must enact another law to discharge its obligation according to the international law and that the organization had presented recommendations to the Japanese prime minister to enact a "law for punishing the war crimes and crimes against humanity and other crimes in view of the international law."

Noting that Japan, however, punished none of those responsible for the criminal acts against more than 200,000 "comfort women for the army," he stressed that though the Japanese government was trying to hush up the crime, it could by no means evade its responsibility.

#### **Kim Il-song Receives Reply Message From Iran**

*SK2802020094 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 24 Feb 94*

[Text] The great leader Comrade Kim Il-song received a reply message from Islamic Republic of Iranian President 'Ali Akbar Hashemi-Rafsanjani for sending him a congratulatory message on the 15th anniversary of the victory of the Islamic revolution in Iran. The reply message is as follows:

Pyongyang.

To Your Excellency, DPRK President Kim Il-song:

I express deep gratitude to Your Excellency for sending a magnificent congratulatory message on the anniversary of the victory of the Islamic revolution in Iran.

Currently, under the leadership of His Excellency Imam Khamene'i, our people are welcoming the 16th year of a new political life which was achieved through their arduous efforts and firm faith. Today, the Islamic Republic of Iran achieved very precious victories and

brilliant results through endless efforts by the energetic Iranian people. They are looking forward to their glorious future.

We are turning attention to economic and cultural developments in international relations without fail, and are enhancing our active role from a regional and world wide scope. Thus, we are filled with determination to further strengthen solidarity among all nations.

I hope you, Your Excellency, good health and success in your work.

[Signed] President of the Islamic Republic of Iran 'Ali Akbar Hashemi-Rafsanjani

[Dated] 21 February 1994, Tehran

#### **President Kim Il-song Receives Italian Official**

*SK2802113294 Pyongyang KCNA in English 1056 GMT 28 Feb 94*

[Text] Pyongyang, February 28 (KCNA)—The great leader President Kim Il-song received General Secretary of the Italian Institute of International Relations, Giancarlo Elia Valori, today.

Secretary of the C.C. [Central Committee], the Workers' Party of Korea, Kim Yong-sun, was present on the occasion.

President Kim Il-song conversed with the guest in a cordial and friendly atmosphere.

He was presented with a gift by the guest.

He arranged a luncheon for the guest.

#### **Gift Delivered for Kim Chong-il**

*SK2802113394 Pyongyang KCNA in English 1057 GMT 28 Feb 94*

[Text] Pyongyang, February 28 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the general secretary of the Italian Institute of International Relations on a visit to Korea.

General Secretary Giancarlo Elia Valori handed the gift to Secretary Kim Yong-sun of the C.C. [Central Committee], the Workers' Party of Korea.

#### **Vice President Arrives in Peru on Visit 20 Feb**

*SK2802003594 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 23 Feb 94*

[Text] The Korean Social Democratic Party delegation led by Chairman [and DPRK Vice President] Kim Pyong-sik arrived in Lima on 20 February to pay a visit to Peru. The general secretary and secretary in charge of organization of the Peruvian Social Revolutionary Party, and chairman and general secretary of the Peruvian Social Party welcomed the delegation at the airport. The ambassador and employees of the DPRK Embassy in Peru were also on hand at the airport.

**PRC Culture Ministry Hosts Anniversary Dinner**

*SK2802022794 Pyongyang Korean Central  
Broadcasting Network in Korean 1300 GMT 24 Feb 94*

[Text] The Chinese Culture Ministry arranged a banquet on 21 February in Beijing on the 35th anniversary of concluding the agreement on DPRK-PRC cultural cooperation. Banners reading, "The 35th anniversary of concluding the agreement on PRC-DPRK cultural cooperation," and "1959-1994," were placed in front of the banquet hall.

Chinese Culture Minister Liu Zhongde and other functionaries concerned participated in the banquet. The charge d'affaires ad interim and employees of the DPRK Embassy in China were invited.

Speeches were made by the Chinese Culture Minister and DPRK charge d'affaires ad interim. In his speech, the culture minister pointed out that during the past 35 years since the conclusion of the agreement, exchange and cooperation in the cultural field between the two countries were further strengthened and developed.

He said that this greatly contributed to consolidating and developing the traditional PRC-DPRK friendship. He said that this year exchange and cooperation will be all the more active in various fields including culture, art, science, education, press and publication, sports, and health between the two countries, and emphasized that this will further consolidate and develop the traditional PRC-DPRK friendship.

Participants of the banquet drank a toast to the friendship of the people of the DPRK-PRC formed through blood ties; for the great leader Comrade Kim Il-sung's long life; for the dear leader Comrade Kim Chong-il's long life; and for the CPC and state guidance cadres including the respected Comrades Deng Xiaoping and Jiang Zemin.

The banquet was held amid a friendly atmosphere.

**Group Urges Russia, Japan To Stop Dumping**

*SK2802102894 Pyongyang KCNA in English 1016  
GMT 28 Feb 94*

[Text] Pyongyang, February 28 (KCNA)—People for Nuclear Disarmament, an anti-nuke organisation of Australia, sent letters to Russian and Japanese ambassadors to Australia some time ago in protest against the dumping of a large quantity of nuclear waste in the East Sea of Korea and the Pacific by these countries.

The letter to the Russian ambassador said that the irresponsible acts in throwing 900 tons of nuclear waste from a nuclear submarine base near Vladivostok into the East Sea of Korea on October 17, 1993 are arousing deep apprehensions among the Korean people and their neighbouring countries.

The nuclear waste poses a grave threat to the health and existence of the peoples of Korea and neighbouring

countries, the letter said, urging a stop to the dumping of nuclear waste in the sea for the stable life of mankind and for the protection of the ecological environment of the sea.

The letter to the Japanese ambassador recalled that Japan started dumping radioactive substances in the sea from 1955 and had thrown 1,661 200-litre drums packed with venomous wastes into surrounding seas in the period from 1959 to 1969. It strongly urged an immediate halt to such dangerous acts.

**Kim Chong-il Receives More Birthday Messages**

*SK2702094094 Pyongyang KCNA in English 0807  
GMT 27 Feb 94*

[Text] Pyongyang, February 27 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from party leaders of different countries on his birthday.

Messages came from Zbigniew Wiktor, chairman of the National Executive Committee of the Polish League of Communists "Proletariat"; Claus Riis, chairman of the Central Committee of the Communist Party of Denmark (Marxist-Leninist); Dr. Vassos Lyssarides, chairman of the Central Committee of the Socialist Party of Cyprus; Iqbal Ahmed Khan, secretary-general of the Pakistan Muslim League; C.R. Aslam, president of the Pakistan Socialist Party; Mohamed Bel Hadj Amor, general secretary of the People's Unity Party of Tunisia; Llewelyn John, leader of the People's Democratic Movement of Oryana; Oland Atta-Cesson, national chairman of the National Convention Party of Ghana; Leon Nzokene, general secretary of the Congolese Socialist Party; Oerard Francois Handza, chairman of the Africa Socialist Movement of the Congo; Miguel Mejia, secretary general of the United Left Movement of Dominica; Mohamedoun Dicko, secretary general of the Executive Committee of the African Party for the Solidarity and Justice of Mali; Samboram Shrestha, secretary general of the Central Committee of the Nepal Communist League; and Ludo Martens, chairman of the Central Committee of the Belgian Labour Party.

Messages extend warmest congratulations to Comrade Kim Chong-il and wish him good health and long life.

They express support to and solidarity with the Korean people in their struggle for the independent and peaceful reunification of the country, and the belief that friendly and cooperative relations between their parties and the Workers' Party of Korea will grow stronger.

Comrade Kim Chong-il also received a message of greetings from the national leadership of the Central Committee of the Socialist People's Party of Mexico on his birthday.

**Celebrations Overseas Mark 16 Feb***SK2802101994 Pyongyang KCNA in English 1005  
GMT 28 Feb 94*

[Text] Pyongyang, February 28 (KCNA)—Functions celebrating the birthday of the dear leader Comrade Kim Chong-il were held in different countries.

They were held in New Delhi of India, Iquitos City of Peru, Copenhagen of Denmark, Dhaka of Bangladesh, Baktapur City of Nepal, Dublin of Ireland, Vienna of Austria and at the Italian Committee for the Reunification and Peace of Korea.

Speaking at a celebration held in New Delhi, E. Balanandan, Politburo member of the C.C. [Central Committee], the Communist Party of India (Marxist), stressed Comrade Kim Chong-il has strengthened and developed the Workers' Party of Korea into a powerful working-class party.

It is entirely thanks to the wise guidance of Comrade Kim Chong-il with an iron will that the Korean people have been able to successfully push on the socialist construction maintaining independence, under the difficult and complex circumstances in which the country is divided and in direct confrontation with the U.S. imperialists, he said.

The mayor of Iquitos, Jorge Perez, in a celebration held in the city, said:

Comrade Kim Chong-il has effected tremendous changes in the revolution and construction with the *chuche* idea as a guideline. The *chuche* idea has now become a guideline worldwide. We must apply the *chuche* idea to our reality.

Diverse functions such as DPRK photo exhibitions and film shows, commemorative lectures and sports and cultural functions were held in Lima of Peru, Granada City of Nicaragua, Enugu and Edo States of Nigeria, Elizovo City of Russia, Georgetown of Guyana and at the Central Committee of the Communist Party of Denmark (Marxist-Leninist), the Gitega provincial police headquarters of Burundi, the police headquarters of diplomatic corps of Angola, the Murewa, Zimbabwe, group for the study of the *chuche* idea, Kasetsart University of Thailand and at the Iquitos, Peru, Society for the Study of the *Chuche* Idea.

**Foreign Officials Support Ministry Statement***SK2802112994 Pyongyang KCNA in English 1050  
GMT 28 Feb 94*

[Text] Pyongyang, February 28 (KCNA)—World political and public circles continue expressing support for the statement released by a spokesman for the Foreign Ministry of the Democratic People's Republic of Korea concerning a solution to the nuclear issue on the Korean peninsula.

Chairman of the British-Korean Friendship Parliamentary Group Robert Parry said in a statement on February 6 expressed deep concern over the fact that at a time when a prospect of a solution to the nuclear issue on the Korean peninsula was being opened through the DPRK-U.S. talks, the U.S. hardline conservative forces were overruling the DPRK-U.S. joint statement and the agreement reached late last year and bringing the situation to a hopeless phase.

He urged the British Government not to join in the anti-DPRK campaign launched according to the script written by the United States, taking into account the possible unfavorable effect on world peace and security of the catastrophic situation created by the reckless moves of the U.S. hardline conservative forces.

The Asian Regional Committee for Supporting Korean Reunification released a statement on February 7 denouncing the United States for reinforcing its Armed Forces in South Korea and its neighbouring countries in a bid to stifle the socialist system established in Korea.

It called on the world people to condemn the U.S. moves against the DPRK.

Chairman of the Scientific and Technical Association of Tanzania S.J. Mabulla, in an interview with the KCNA correspondent in Dar-es-Salaam on February 2, demanded that the United States promptly stop forcing a comprehensive inspection on the DPRK and presenting a military threat to it, solve the nuclear issue on the Korean peninsula through negotiations, withdraw its nuclear weapons and troops from South Korea and discontinue large-scale nuclear war exercises for good and all.

He called on the international community to strive hard to check the [word indistinct] on big [words indistinct] peace and reunification of the country.

The Belgium-Korea Solidarity Committee in a statement on February 9 said that to finally solve the nuclear issue on the Korean peninsula and create a favorable climate for the independent and peaceful reunification of Korea depended entirely on the U.S. attitude.

**Foreign Party Leaders Support 'Just Cause'***SK2802230594 Pyongyang KCNA in English 1510  
GMT 28 Feb 94*

[Text] Pyongyang, February 28 (KCNA)—Malian President Alpha Oumar Konare and Equatorial Guinean Prime Minister Silvestre Siale Vileka, when they met with the DPRK ambassadors some time ago, expressed support to the just cause of the Korean people.

The Malian president voiced support to the proposal for national reunification clarified by his excellency President Kim Il-song, saying he stands behind the principled stand of the DPRK to solve the nuclear issue on the Korean peninsula.

The Equatorial Guinean prime minister said that the United States is resorting to all intrigues to stifle the Governments of Equatorial Guinea and Korea on the pretext of non-existent "human rights issue". This is part of its moves to stifle non-aligned countries, he added.

He noted that the struggle of Korea to defend its sovereignty fully accords with the interests of non-aligned countries.

Rigoberto Padilla Ruz, general secretary of the Central Committee of the Communist Party of Honduras, when he received the DPRK ambassador to Nicaragua on February 22, said that the proposal for reunification through confederacy advanced by the great leader Comrade Kim Il-song is the most realistic and just overture. He said he would always extend support and solidarity to the Korean people in their struggle for the reunification of the country.

**Pakistan, India Publish Kim Il-song Work**  
*SK2802105994 Pyongyang KCNA in English 1034*  
*GMT 28 Feb 94*

[Text] Pyongyang, February 28 (KCNA)—"Theses on the Socialist Rural Question in Our Country," a famous work of the great leader President Kim Il-song, was published in booklet by the Afzal Publishing House, Pakistan, on the occasion of the 30th anniversary of the publication of the rural theses.

The booklet says in the preface:

In the theses his excellency President Kim Il-song fully indicated the essential contents of the socialist rural question, the basic principles of its solution, the tasks for socialist rural construction and ways for their fulfilment.

Under his wise leadership, the three revolutions, ideological, technical and cultural, have been carried on vigorously in the countryside of the Democratic People's Republic of Korea over the past three decades to register proud achievements in socialist construction.

The DPRK has completed electrification and irrigation in the countryside and lifted comprehensive mechanization and extensive use of chemicals to a high stage, turning the countryside into an earthly paradise of the people.

The all India Indo-Korean Friendship Association, too, published the work in booklet.

In the preface it writes that though 30 years have passed since its publication, the work still serves as the guideline for many leaders and revolutionaries of the world in the efforts for the ultimate solution to the socialist rural question.

**Indian Seminar Praises Chuche Idea in Media**  
*OW2602114894 Pyongyang KCNA in English 1022*  
*GMT 26 Feb 94*

[Text] Pyongyang, February 26 (KCNA)—An Indian national seminar of journalists on the chuche idea and the role of mass media in the era of independence was held in New Delhi on Feb. 17 under the sponsorship of the All Indian Association of Young Journalists, Intellectuals and Writers and the All Indian Chuche Research Institute of Journalists to mark the 20th anniversary of the proclamation of the programme of modelling the whole of society on the chuche idea by the dear leader Comrade Kim Chong-il.

A congratulatory message from the minister of state for external affairs of India to the seminar was conveyed, and a congratulatory speech made by ex-Indian President Giani Zail Singh.

In his speech, he said the chuche idea founded by the great leader his excellency President Kim Il-song is an idea brightly illuminating the road ahead of the progressive people in the era of independence.

Korea is advancing triumphantly without any vacillation even when some socialist countries have collapsed and the imperialist pressure and blockade are intensifying, he said, adding: this is entirely because it is advancing under the banner of the chuche idea, the banner of self-reliance.

A reporter and speakers at the seminar said it is thanks to the sagacious guidance of the dear leader his excellency Kim Chong-il that the programme of modelling the whole society on the chuche idea is being carried out with success and the anthropocentric Korean-style socialism firmly defended in Korea.

Noting that the chuche idea is the basic idea of mass media in the era of independence, they evinced their resolve to more briskly conduct media activities to establish a new international information and communication order.

A letter to Comrade Kim Chong-il was adopted at the seminar.

**Kim Il-song Inspects New Sports Complex 25 Feb**  
*SK2602050594 Pyongyang KCNA in English 0442*  
*GMT 26 Feb 94*

[Text] Pyongyang, February 26 (KCNA)—The great leader President Kim Il-song inspected the newly-built Gold Lane in Pyongyang on February 25.

He was accompanied by Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea, and officials concerned.

Situated on a scenic bank of the River Taedong, the Gold Lane with a floor space of 14,300 square metres is a gymnasium of mass sports and cultural amusement. It

has 40 modern bowling alleys, amusement rooms, sauna bathrooms, a restaurant, a shop and other service facilities. It is available for international games.

The gymnasium is associated with ardent patriotic devotion of traders and industrialists under the General Association of Korean Residents in Japan (Chongnyon).

Going round it, President Kim Il-song expressed deep satisfaction over the fact that builders constructed the modern bowling gymnasium splendidly in a short time.

Noting that Kwon Yong-suk, a trader-manufacturer under Chongnyon, and her family did a good thing for the prosperity and development of the socialist homeland with a noble patriotic spirit, he highly appraised their patriotism and loyalty.

He gave instructions to manage and operate the gymnasium well, saying that it would greatly contribute to the cultural and emotional life of the Korean people, youth and students and promotion of their health.

#### \* Kim Chong-il Profiled as Communist Leader

944Q0189A Moscow PATRIOT in Russian No 50, Dec 93 pp 10, 11

[Article by I. Loboda, member of the CPSU since 1942: "People View Him as a Leader: A Few Words About Kim Chong-il"]

[Text] *A great deal of information is published all over the world these days about Kim Chong-il. Certain circles do not stint on throwing a dark cloud over him and attributing to him characteristics that do not evoke anything likeable.*

*Who is he really, this person who has been placed in the highest positions in the Republic by the Korean Workers Party? Why do real communists look at him with hope and favor, and renegades with fear and loathing?*

Enemies of socialism are frightened because Kim Chong-il, a strong person with principles, embodies socialist strivings and the decisiveness of the Korean people, and he is a true son of the Korean people. They are frightened that every practical activity and theoretical work by Kim Chong-il expresses socialist ideas and the greatest strength of the Korean nation. His image has imbedded itself deeply into the consciousness of Koreans and has become as beloved to them as the image of his father.

Foes are scared because in less than half a century the country, led by Kim Il-song, and in the last decades by Kim Chong-il, has become a reliable stronghold of socialism in our world. The invincible socialist system in the DPRK, a party that is true to communism, powerful armed forces, an impressive economy, and nationwide popular support of its leaders and a deep and sincere respect for them, have all become obvious facts. We see in the DPRK a new form of socialist organization for society and a country that has found its own road to socialism. Imperialists and their accomplices—

renegades of every sort—are afraid of socialist Korea's influence on millions of people in this world.

Together with Kim Chong-il, a new generation is taking over the leadership of the party and the country. Kim Chong-il has devoted a great deal of effort in bringing up and educating this generation. This generation has a passion for action and a zeal for new undertakings. It is against routine, sluggishness, inertia, and indecisiveness. The energy and initiative of this new generation are blended with the rich experience, knowledge, and prudence of its predecessors.

History has given Kim Chong-il an enormous role, and at the same time a great responsibility, but not just for the future of his country. Pyongyang has become the center of unity for the world's socialist forces. The Pyongyang Declaration, which has already been accepted by over 200 political parties of the world, is having an ever greater influence over mankind. Everyone who has eyes can see how the forces of socialism are getting over the shock caused by the treachery of renegades, and how these socialist forces are growing in strength. Socialism now does not simply exist, but is fighting and winning.

All this explains the increased interest in Kim Chong-il. Neither blockades nor outright bans can hide the truth about this leader and his written works. Every honest person sees the image of a man for whom the happiness and well-being of his people are more important than anything else in the world.

From a very early age he devoted his life entirely to the cause of the revolution. In the quarter of a century since he finished his university studies, he has gone through all the stages of party organizational work and executive duties. He had started as a rank-and-file instructor in one of the departments of the Central Committee of the WPK [Workers' Party of Korea]. During these years he acquired a great deal of political experience. His family environment also facilitated his gaining this experience.

Kim Chong-il did not become simply a successor to his father, Kim Il-song, but the continuer of his father's deeds. He kept up the creative development of communist theory in accordance with the new conditions that came about as a result of changes in society and society's scientific achievements, including the achievements of the Korean people, who belong to one of the oldest civilizations. This is why it is unthinkable to separate Kim Il-songism, as a science, from its continuator, Kim Chong-il.

From the very beginning, Kim Chong-il attached great significance to moral education and to transforming all of society on the basis of the ideas of *chuche*. This was timely, not only because new tasks were arising in the process of building socialism but also because world imperialism was increasing its subversive work against the DPRK. In addition, it was necessary to make fundamental assessments of the activities of the renegades in

the worldwide communist movement and to mercilessly expose the roots of this most harmful phenomenon.

Efforts made in political-educational work, and the consolidation of a united ideological system in the party and among the people brought tangible results. Communist consciousness was raised and the productive initiative of the workers increased.

Kim Chong-il has devoted many works to problems of ideology and the leading role of the WPK in ideology. It can be said about these works and their contents that they constitute a powerful attack against all forces of reaction, no matter under what false colors they are hiding. The correctness of the assessments and prognoses in these works has been confirmed by the entire course of development of both the DPRK and other countries.

As a writer, I understand and embrace Kim Chong-il's contribution of every art form to leadership. It is difficult to even enumerate all his important theses presented during meetings with employees of motion pictures, writers, musicians, and artists. Kim Chong-il comprehensively enlightened the roles of these people and the intelligentsia in general in the building of socialism. He charted an original course for completing a radical revolution that guaranteed the present flowering of artistry in motion pictures, literature, the stage, and concert halls. In Kim Chong-il's pronouncements, especially those given to motion picture employees, the following theses can be noted: Art should not fear an exaggeration of the good, so that this good can become even better. Also, art should not fear an exaggeration of a bad, depraved person, so that this exaggeration can evoke repulsion and ignite a striving to eliminate everything hateful and shameful.

Readers of Kim Chong-il's works are favorably impressed by the author's deep belief that by virtue of the objective laws of historical development, socialism cannot be destroyed by any alliances or blocs between renegades and imperialists. Day always triumphs over night. Kim Chong-il is convinced that gigantic forces are concealed within socialism, and that socialism is capable of creating the most just society about which the best minds of man have always dreamed.

Kim Chong-il's works also clearly demonstrate comprehensive understanding that in given circumstances certain things for which there is enough strength can be done and should be done. The leader of the Korean people has proclaimed himself uncompromising, he will not make concessions concerning principles and problems on which the fate of the nation and the success of socialism depend. It is not in his character to turn down plans that had been approved, no matter how difficult they may be. Kim Chong-il is convinced that every person, even one who believes himself to be weak, has hidden strength and potential. In order to bring them out, it is necessary for a person to understand that he has them, and it is necessary to motivate him with the

all-conquering ideas of *chuche*. Kim Chong-il is characterized by the strength of his mind and his penetrating knowledge that allows him to quickly and faultlessly analyze events, tell the difference between people, and to assess everyone and use everyone in accordance with his abilities. He openly talks about shortcomings and errors, being convinced that the right way does not need to hide anything and does not need to distort facts.

And there is something else: Kim Chong-il expresses his thoughts in speaking and writing always in the most precise, direct, clear, and short form. His analyses are penetrating. His conclusions are based on facts. He expresses his thoughts simply, convincingly, and spiritedly. This is because Kim Chong-il frequently mixes with people from very different professions, acquiring from them the habit for this style.

Notwithstanding his immense popularity among his people and the respect given him in the DPRK, he has remained a modest and unpretentious man, fierce and implacable towards his foes, but touchingly attentive to his comrades and to working people. Kim Chong-il presents identical moral criteria to himself and to the rank-and-file. He believes that there should be no privileges or exceptions for anyone with regard to morality.

Kim Chong-il's theory and practice, based on the great ideas of *chuche*, are highly valued and approved by the world communist movement. He is seen as a true communist leader who is firm and independent, and who can resolve the most revolutionary problems out of all the problems that now face the revolutionaries of the world. Kim Chong-il is the hope not only of Koreans, but all other progressive peoples of this world.

#### **Kim Chong-il Sends Thanks to Various Units**

*SK2702093494 Pyongyang KCNA in English 0802 GMT 27 Feb 94*

[Text] Pyongyang, February 27 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to the employees of the Institute of Unity Management Science of the State Academy of Sciences and the robot and computer assembling plant under the branch Academy of Electronic and Automation Science.

The researchers, workers and technicians of the unit are producing electronic and automation elements and devices needed for the development of the electronic industry of Korea onto a higher stage and various electronic goods.

They invented and mass-produced new items conducive to the promotion of the people's health.

#### **Daily Dedicates Article to Kim Chong-il Work**

*SK2802104094 Pyongyang KCNA in English 1030 GMT 28 Feb 94*

[Text] Pyongyang, February 28 (KCNA)—NODONG SINMUN today dedicates an article to the 20th anniversary of the publication of the dear leader Comrade Kim

Chong-il's famous work "On Smashing the Outdated Pattern and Effecting a New Turn in Party Work."

The author of the article says:

The work is a highly important work which indicates a way of improving party work in a revolutionary manner to meet the requirement of the development of our party and revolution after the modelling of the whole society on the *chuche* idea had been pushed to the foreground.

The work clearly expounds the principled demand and concrete ways of effecting a new turn in party work such as the question of building our party into a vibrant militant party full of revolutionary spirit and enthusiasm.

For the justness and truthfulness of the idea and theory contained in the work, the great vitality of the work has been displayed in revolutionary practice and it serves as a historic work which marked an occasion of a great turn in the strengthening and development of our party.

The great vitality of the work lies, first of all, that it made it possible to establish throughout the party a revolutionary system of working under the unitary guidance of the party centre.

It is the unshakable creed and absolute rules of action for our party members and other working people to do things as demanded by the party and think and act in accordance with the idea and will of the party.

The great vitality of the work also lies in that it filled the whole party with the revolutionary way of living and struggling with lusty vigour and enthusiasm.

The dear leader Comrade Kim Chong-il said:

"If a new turn is to be effected in party work, all the officials must shake off signs of decrepitude and make our party a vibrant party overflowing with revolutionary stamina and enthusiasm."

The trait of which our party members and other working people are proud is to boldly undertake any task to fulfil the plan and intention of the party, make a breakthrough and tenaciously carry it to accomplishment.

In the course of applying the idea and theory contained in the work, a radical turn has taken place in the work method of our party.

To always mix with the masses, grasp the actual conditions of the lower units, give them a substantial help and solve everything in reliance on the wisdom and creativity of the masses is the inherent work method and habitual mode of work of our officials today. With a great turn in the method of party work and the strict application of the revolutionary mass line, the consciousness and creative zeal of the popular masses as the masters of the revolution and construction have been immensely enhanced and a constant upsurge is being effected in socialist construction.

### National Agricultural Conference Closes

SK0103055194 Pyongyang KCNA in English 1536  
GMT 28 Feb 94

[Text] Pyongyang, February 28 (KCNA)—The national agricultural conference which opened on February 25 in the presence of the great leader President Kim Il-song closed today after the successful conclusion of its work.

Before the closing of the conference, speeches were made by No Chung-hae, vice-president of the institution of agricultural sciences, Pak Yong-hun, chairman of the Sukchon County cooperative farm management committee in South Pyongan Province, Won Kyong-sun, chairman of the Union County committee of the Union of Agricultural Working people in North Pyongan Province, Pak Kun-su, director of the Taehongdan County integrated farm in Yanggang Province, Kim Ki-hwan, chairman of the Kwail County integrated fruit farm management committee in South Hwanghae Province, Cha Sang-kwon, chairman of the management board of the Wangjaesan cooperative farm of Onsong County in North Hamgyong Province, and others.

The speakers said the letter sent by the great leader Comrade Kim Il-song to the conference is a historical work which reviewed the proud victory in the efforts to carry the socialist rural theses into practice and a highly important guideline, an immortal militant banner which clearly indicates the way of promoting the final solution to the rural question by pushing ahead with the socialist rural construction.

The great leader Comrade Kim Il-song, defining the agricultural front as one of the main fronts of socialist construction, created the *chuche* method of farming, a most scientific and advanced farming method, while covering a ceaseless course of on-the-spot guidance to the countryside, and the dear leader Comrade Kim Chong-il has wisely led the whole party, the whole country and the entire people to the implementation of the rural theses, bringing changes of the century to our countryside and making a leaping progress of the agricultural production over the past three decades, the speakers noted.

They expressed their firm determination to more powerfully push on with the struggle to carry out the historical tasks to revolutionize the farmers and assimilate them to the working class and industrialize and modernize agriculture by consolidating the achievements made in the carrying on of the three revolutions, ideological, technical and cultural, in the countryside, upholding the leadership of the dear leader who is further developing and enriching and successfully applying the idea and theory of the great leader on the socialist rural question.

It was declared at the conference that congratulatory messages, silk banners, tractors and other farm machines and materials for farming of large quantities had been

sent to the conference by ministries of the administration council, industrial establishments, organs and schools across the country.

A letter of pledge to President Kim Il-song and Comrade Kim Chong-il was adopted at the conference.

**Achievements in 'Rural Construction' Highlighted**  
*SK0103004494 Pyongyang KCNA in English 2240*  
*GMT 28 Feb 94*

[Text] Pyongyang, February 28 (KCNA)—The great leader President Kim Il-song published the famous work "Theses on the Socialist Rural Question in Our Country," the *chuche*-based programme of socialist rural construction, on Feb. 25, 1964, and has wisely led the work to carry it into reality.

He visited many rural communities throughout the country to teach the officials of the rural economy and the agricultural working people how to do farming and manage the farms.

After the publication of the theses, President Kim Il-song convened national agricultural conferences and meetings of agricultural officials on scores of occasions and guided the agricultural working people to effect an epoch-making turn in socialist rural construction.

Vigorous efforts to implement the theses over the past thirty years resulted in the completion of irrigation and electrification of agriculture on a high level and fulfilment of the tasks of mechanization and wide use application of chemicals.

In recent years grand projects of harnessing nature, among them the building of the West Sea barrage and of waterways extending 800 kilometres in the western areas have successfully been carried out to complete the irrigation of agriculture at a high level.

28.7 percent of paddy and non-paddy fields had been irrigated before the publication of the theses. But all the cultivated lands in plain, intermediary and mountainous areas have been irrigated today.

Electrification of agriculture has also been completed on a high level.

In a few years after the publication of the theses electricity found its way into all the rural villages and cooperative farms of the country and to all the farm houses as lighting, power and heating energies. The annual consumption of electricity in the countryside today increased 8.6 times the 1963 figure.

The task to mechanize agriculture has been fulfilled. Over the past thirty years the number of the tractors and lorries serving agriculture has increased 6 and 5 times respectively. Now all the farm work from ploughing to sowing, rice-transplanting, weeding, harvesting, threshing and transport are done with the help of machines.

The task of extensive application of chemicals to agriculture has been carried out. The amount of the chemical fertilizers supplied to each hectare was 300 kilogrammes in 1963 and it has shown a rise of more than two tons at present.

The output of grain has leaped 1.9 times the figure of the time when the theses was published, of which rice 1.8 times and maize 2.2 times.

With tens of thousands of public service establishments built in the rural villages, the farmers live without any worry.

Regular agricultural universities and colleges and farm colleges and study-while-you-work training centres of various forms for training technicians have been set up in provinces.

The number of the technicians and experts who serve for socialist rural construction has increased more than ten times the figure before the publication of the theses.

Ideal communist villages have made their appearance in Chongsan-ri, Kangso District, in Yongrim-ri, Mundok County, in Changdong-ri, Sukchon County, in Oguk-ri, Anak County, in Wangjaesan-ri, Onsong County, and other places of the country.

Houses built at the state expense have been distributed to the farmers free of charge, leaving not a person homeless.

Korea's countryside has turned into a modern socialist community and the standard of the farmers' living has reached the level of well-to-do middle peasants in the past days.

**Meeting Held on Independence Anniversary**  
*SK0103004294 Pyongyang KCNA in English 2253*  
*GMT 28 Feb 94*

["75th Anniversary of March 1st Popular Uprising Commemorated"—KCNA headline]

[Text] Pyongyang, February 28 (KCNA)—A Pyongyang meeting was held today to mark the 75th anniversary of the March 1st popular uprising.

The March 1st, 1919, popular uprising was an all-people resistance against Japan, in which the Korean people rose up and undauntedly fought to take back the country lost to the Japanese imperialist aggressors and restore national sovereignty.

In his report at the meeting, Chong Tu-hwan, Presidium member of the Central Committee of the Democratic Front for the Reunification of the Fatherland, said the uprising dealt a heavy blow at the colonial rule of the Japanese imperialists and had a great inspiring impact on the national-liberation movement of the oppressed peoples in colonies.

"It is 75 years since the participants in the uprising fought for independence, shedding their blood of patriotism, and it is nearly half a century since our country was liberated from the colonial rule of the Japanese imperialists, but their desire for independence and sovereignty of the country has yet to be realised nationwide," he said.

He said in South Korea under the military occupation by the U.S. imperialists, the people's demand for independence, democratic rights and even their elementary right to existence are ruthlessly violated. "South Korea remains a forward base of nuclear war because the Kim Yong-sam 'regime' sticks to the anti-national policy of dependence on outside forces," the reporter said, and added:

"To establish national sovereignty in South Korea and reunify the country independently and peacefully is a noble cause of realising what the participants in the March 1st popular uprising desired and the supreme national task facing the entire Korean people."

He called on the South Korean people to launch a courageous struggle to overthrow the puppet government, saying that with the "civilian"-veiled traitor Kim Yong-sam left alone, neither the independence and democratisation of South Korean society nor the independent and peaceful reunification of the country can be expected and nothing but the scourge of war will be inflicted on the Korean nation.

He demanded that the United States renounce the policy of "strength" and approach DPRK-U.S. talks with a sincere attitude in the spirit of the DPRK-U.S. joint statement, if it really wants to find a solution to the nuclear issue on the Korean peninsula.

He urged the Japanese reactionaries to discard the foolish dream of gaining something from their involvement in the anti-DPRK campaign of the United States and the South Korean puppets and make a sincere apology and adequate compensation to the Korean people for their past crimes.

The meeting was attended by Yang Hyong-sop, alternate Politburo member of the C.C. [Central Committee], the Workers' Party of Korea and chairman of the Supreme People's Assembly.

### **Papers Call for Reunifying Country**

*SK0103111694 Pyongyang KCNA in English 1031 GMT 1 Mar 94*

[Text] Pyongyang, March 1 (KCNA)—Papers here today, in editorials dedicated to the 75th anniversary of the March 1 popular uprising in 1919, call on the compatriots at home and abroad to join in the struggle for smashing the moves of the separatists and reunifying the country with concerted efforts of the nation.

NODONG SINMUN says the thorough implementation of "10-point programme of the great unity of the whole

nation for the reunification of the country" put forward by the great leader Comrade Kim Il-song is the key to making our nation repulse aggression and interference of any outside forces and accomplish the cause of national reunification in the '90s.

Noting that the desire of the March 1 uprisers to live in a land without aggressors and traitors has been realised only in a half of the country and the South Korean people are still languishing under the colonial rule of foreign imperialists, the paper says that if the country is to be reunified at an early date, it is imperative to achieve the great unity of the whole nation.

The paper continues:

Great national unity is never achieved by words. It is won and cemented when all the Koreans take a joint action by pooling their will and strength in the struggle for national reunification. All the political parties, organizations and compatriots of all strata in the North, South and overseas must keep pace and unite with each other organizationally for national reunification. The South Korean people must wage a relentless struggle to overthrow the Kim Yong-sam group, which is standing in the way of national reunification and trying to plunge the nation into a nuclear holocaust in league with outside forces.

The South Korean puppets must give up the foolish design to obstruct the country's reunification and slay the fellow countrymen in the North with the backing of outside forces and step down from power without delay as unanimously demanded by the people.

MINJU CHOSON demands that the United States renounce the moves to isolate and stifle the Democratic People's Republic of Korea over the "nuclear issue" and keep to and implement the principles agreed on between the DPRK and the United States so that the nuclear issue may be resolved in a fair way on the Korean peninsula.

It says the Japanese reactionaries must apologize for the monstrous crimes committed by Japan against the Korean people in the past, make an adequate compensation, stop clamouring about the non-existent "nuclear threat" from the DPRK and refrain from doing things obstructive to the peace and reunification of Korea.

### **Pomminnyon Calls for 'New Horizon of Reunification'**

*SK2802103994 Pyongyang KCNA in English 1022 GMT 28 Feb 94*

[Text] Pyongyang, February 28 (KCNA)—The preparatory committee for the formation of the South side headquarters of the National Alliance for the Country's Reunification (Pomminnyon) in an article contributed to its organ "Materials of Pomminnyon" called for an extensive struggle to open a new horizon of reunification.

The article titled "For Setting Correct Orientation of National Reunification Movement at Present" analysed the world situation and the tense situation on the Korean peninsula and said "the situation calls for firmly upholding the banner of national independence and great national unity".

What is decisive in forcing the way through this situation is always the internal factor, the article said, adding:

Under the grave situation as today, the independent forces of the whole nation must unite more closely under the banner of independence, peaceful reunification and great national unity and thus decisively frustrate the national splittist moves of the outside forces, the United States and Japan, and make active efforts to greet the independent reunification in 1995.

Turning to the key points of the reunification movement in South Korea at present, the article pointed out that they must be "rejection of the outside forces, the United States and Japan, implementation of the North-South agreement and attainment of reunification in the form of confederation." The outside forces obstructing the implementation of the inter-Korean agreement must be glaringly exposed, the article added.

It continued:

The proposal for reunification through confederacy epitomized in the words of one nation, one state, two systems and two governments is the only reunification formula. Efforts to attain a national agreement on this most reasonable proposal are an immediate task the fulfilment of which brooks no further delay.

Clarifying the main tasks of the present national reunification movement—"rejection of the outside forces, the U.S. and Japan, implementation of the inter-Korean agreement and reunification through confederacy,"—the article called for redoubled efforts to open a new horizon of reunification.

### South Korea

#### U.S. Negotiator Comments on Nuclear Issue

SK0103012694 Seoul YONHAP in English 0114 GMT  
1 Mar 94

[Text] Washington, Feb. 28 (YONHAP)—North Korea will have to resume dialogue with South Korea on the nuclear issue through the exchange of special envoys if it wants to hold a third round of talks with the United States, the U.S. State Department says.

Tom Hubbard, deputy assistant secretary of State for Asian and Pacific Affairs, said Monday that North Korea will also have to fully implement International Atomic Energy Agency (IAEA) inspections of its nuclear facilities in order to realize the third round of talks. Hubbard, who has represented the United States at

working-level contacts with North Korea in New York, clarified the U.S. position at a regular weekly briefing on Monday.

"The undertakings of Team Spirit '94 and a third round of U.S.-North Korea talks are based on the premise that the IAEA inspections will be fully implemented and that the South-North nuclear dialogue will resume through the exchange of special envoys," Hubbard said.

Hubbard's comment came as a team of seven IAEA inspectors, which arrived in Beijing Monday night, is expected to leave for Pyongyang aboard a North Korean plane at 3 P.M. Tuesday.

"They (IAEA inspectors) will complete their inspections and...there will be a number of tests based on the inspections that take place," Hubbard said. He said if the IAEA inspectors find that continuity in nuclear safeguards has been broken, then the United States will have to reconsider whether dialogue is the appropriate way of dealing with this issue.

Hubbard said the IAEA team will not inspect two suspected nuclear sites this time.

"Our basic position remains that we're seeking a full resolution of the nuclear issue," Hubbard said. "(and) full resolution of this issue entails full North Korean membership in the NPT (Nuclear Non-Proliferation Treaty), full North Korean acceptance of their safeguards obligations with the IAEA."

Finally, North Korea will have to implement the South-North Korean denuclearization declaration, which provides for inspections in a regime between North and South, Hubbard said.

Asked whether the North Koreans accepted more than one inspection of their seven declared sites or only one inspection, Hubbard said that the number of inspections have never really been an issue.

"North Korean representatives (to the working-level contacts) have acknowledged the need for periodic inspections," he said. "They have simply challenged the scope of those inspections."

"Obviously, continuity of safeguards is an ongoing concept," he said.

Hubbard was asked if the United States has made any agreement as to what is going to be the objective for the March 21 high-level talks between North Korea and the United States.

"We haven't worked out any specific agenda," Hubbard said. "As I have said earlier, our principal objective is a resolution of the nuclear issue."

"We will adopt a thorough and broad approach to the problems," he added.

Hubbard said the third round of U.S.-North Korean talks will be held between Robert Gallucci, assistant

secretary of State for political and military affairs, and his North Korean counterpart Kang Sok-chu.

#### **Announcement of Agreements With DPRK Postponed**

*SK0103073794 Seoul YONHAP in English 0729 GMT 1 Mar 94*

[Text] Seoul, Feb. 28 (YONHAP)—The U.S. Government is expected to postpone the announcement of sequence measures agreed with North Korea that was slated for March 1, timed with the commencement of the long-delayed nuclear inspections, after resumption of inter-Korean dialogue was rescheduled for Thursday [3 March].

Washington and Pyongyang were to announce the agreements reached in New York last Thursday simultaneously on Tuesday.

Their agreements required North Korea to resume dialogue with South Korea and fully implement International Atomic Energy Agency (IAEA) inspections of its nuclear facilities in order to realize the third round of bilateral high-level talks.

Seoul proposed Pyongyang to meet on Tuesday and planned to announce the suspension of this year's South Korea-U.S. military exercise "Team Spirit", but cancelled the announcement until Thursday, a date the communist regime later proposed for inter-Korean dialogue.

The U.S. Government was to announce the Seoul government's decision to put off the 1994 Team Spirit drill and reopening of third round of talks with North Korea in Geneva on March 21 on Tuesday when the IAEA inspection team arrives in Pyongyang and inter-Korean working-level contact takes place, a senior diplomatic source in Washington said Monday. But North Korea broke its promise made in the New York meeting and did not respond to Seoul's proposal of talks, the source said.

If South Korea postpones the announcement to suspend this year's Team Spirit, the United States is expected to follow suit and cancel announcement of sequence measures until Thursday, he said.

Washington reportedly will closely discuss Pyongyang's delay of inter-Korean dialogue with Seoul on Tuesday. But as State Secretary Warren Christopher is due to present himself to the Congress hearing on Tuesday, he may well announce the agreements reached with Pyongyang in last week's meeting and explain the U.S. position.

#### **Team Spirit To Be Suspended**

*SK0103033894 Seoul YONHAP in English 0309 GMT 1 Mar 94*

[Text] Seoul, March 1 (YONHAP)—The government will postpone the announcement of suspending this year's "Team Spirit" military exercise with the United States to Thursday, as North Korea counterproposed to hold on that day a working-level inter-Korean meeting on special envoy exchange.

The decision is in accordance with the policy that government will make the Team Spirit suspension announcement on condition that the inter-Korean dialogue is resumed and that an International Atomic Energy Agency inspection team arrives in Pyongyang.

Proposing to North Korea on Monday that the working-level meeting be held on Tuesday, the government decided to make the Team Spirit suspension announcement at the Defense Ministry on Tuesday.

#### **Government Accepts DPRK Proposal for Dialogue**

*SK0103083894 Seoul YONHAP in English 0830 GMT 1 Mar 94*

[Text] Seoul, March 1 (YONHAP)—South Korea will send a telephone message to North Korea on Wednesday, accepting North Korean proposal for working-level meeting on Thursday in the truce village of Panmunjom to discuss the exchange of presidential envoys.

In a government meeting Tuesday, Seoul decided to withhold the announcement of suspending this year's South Korea-U.S. military exercise "Team Spirit" until it actually sits down for talks with North Korea, Vice Unification Minister Song Yong-tae said.

Deputy Prime Minister and National Unification Minister Yi Yong-tok coordinated the government position with Foreign Minister Han Sung-chu, Defense Minister Yi Pyong-tae, National Security Planning Agency Director Kim Tok, and Senior Presidential Secretary for Foreign and National Security Affairs Chong Chong-uk after North Korea rejected Seoul's earlier proposal for inter-Korean dialogue on Tuesday and instead rescheduled the date for Thursday in a telephone message.

The government decided to agree to the new date on an interpretation that the communist regime showed positive attitude toward exchange of special envoys despite its delay for talks.

In its telephone message on Tuesday morning, North Korea said it will send officials to the southern side of Panmunjom at 10:00 a.m. Thursday.

It added that it was happy that the South proposed working-level meeting to discuss exchange of special envoys.

### Further on DPRK Proposal

*SK0103084694 Seoul KBS-1 Radio Network in Korean  
0800 GMT 1 Mar 94*

[Text] The government held a strategy meeting of unification-related ministers chaired by Deputy Prime Minister Yi Yong-tok at the prime minister's official residence in Samchong-tong on 1 March, in which the participants agreed to positively consider to hold the fourth round of North-South working contact on 3 March proposed by the North Korean side.

The government has decided to inform the North side of this position around 1000 [0100 GMT] 2 March. Therefore, the fourth round of North-South working delegates' contact for the exchange of special envoys is expected to be held at the House of Peace, the meeting site in the South side area of Panmunjom, at 1000 on 3 March, two days later than the ROK Government had proposed.

The unification-related ministers' meeting also decided to maintain the position that the South side will announce the condition-attached suspension of the Team Spirit joint military exercise for 1994 later if the North-South working contact is made, as the Ministry of National Defense has announced. Therefore, the South side may well announce the condition-attached suspension of the Team Spirit exercise when it confirms that the North-South working contact is made on 3 March.

Prior to this, North Korea, in a telephone message in the name of Pak Yong-su, the North side delegate to the North-South working contact, said it agrees to the resumption of the working contact, admitting that the South side accepted the North side's demand for the suspension of the nuclear war exercise and the abandonment of the international cooperation system.

### IAEA Inspection Team Reportedly Arrives

*SK0103105194 Seoul KBS-1 Radio Network in Korean  
1026 GMT 1 Mar 94*

[Text] The International Atomic Energy Agency [IAEA] inspection team arrived in Pyongyang on 1 March. The seven IAEA inspectors will stay in Yongbyon for two weeks to conduct inspection activities, such as changing and repairing film in monitoring equipment set up in the seven declared facilities and taking samples from some nuclear facilities. These IAEA activities have not taken place since February 1993.

### Official Denies Rumors of Secret N-S Visit

*SK0103030994 Seoul HANGYORE SINMUN in Korean  
1 Mar 94 p 4*

[Report from "Guest House" column]

[Text] While giving a report at the National Assembly National Defense Committee on 28 February, the director of the Agency for National Security Planning

[NSP] denied rumors that there is a crisis on the Korean peninsula by saying that "there is no special situation."

In connection with the secret contact of envoys between the South and North upon President Kim Yong-sam's proposal to hold South-North summit talks, Director Kim Tok said that "this is a totally false report."

Regarding reports by the media that North Korean Secretary Kim Chong-il was in an accident, Director Kim said: "As far as I know, he just hurt his leg after falling while riding a horse."

It was learned that in a private meeting, Director Kim reported: "It is not clear if North Korea is developing nuclear weapons, but it is clear that it has reached a stage of completing nuclear development. It was learned that recently North Korea has been strengthening security at the Yongbyon nuclear facilities."

### Foreign Minister Interviewed on Nuclear Issue

*SK0103100894 Seoul HANGYORE SINMUN in Korean  
1 Mar 94 p 13*

[By Pak Chong-mun]

[Text] Foreign Minister Han Sung-chu looked relieved and confident as he was giving his first exclusive interview to HANGYORE SINMUN.

This was because North Korea finally consented to the start of International Atomic Energy Agency nuclear inspections after delaying it during the ongoing negotiations with the United States. North Korea had accepted inspections on 15 February. Han Sung-chu was appointed foreign minister when the Kim Yong-sam regime was inaugurated February 1993 and has been entangled in the North Korean nuclear issue ever since. He could not help but be nervous whenever some progress was made in the North Korean-U.S. negotiations on nuclear inspections.

While watching the North Korean-U.S. working-level contact in New York, Minister Han worried that something may go wrong because North Korea has persistently refused to accept North-South exchange of special envoys as a precondition for the third stage of North Korean-U.S. talks. When it was pointed out the letter of agreement between North Korea and the United States, which was released on 25 February in New York, does not say the North-South exchange of special envoys is a precondition for the third stage of DPRK-U.S. talks, Minister Han flatly said: "We can say the U.S. position that no third stage of North Korean-U.S. talks can be held without an exchange of special envoys was implemented."

This means that even though North Korea opposed the inclusion of the special envoy issue in the letter of agreement to save face, it accepted this condition in actuality.

Asked why he thought so, he said: "The United States immediately notified us of the results of the discussions at the New York contact. In doing so, it asked us whether we consented to such a letter of agreement. After confirming the U.S. will for the special envoy issue, we expressed our approval on the letter of agreement."

Probably conscious of the domestic criticism that the United States took the initiative in the negotiations on the nuclear issue and that the ROK was detached from the negotiations between the United States and North Korea, Minister Han stressed: "I can say our government has taken the initiative in improving the situation. An example of this is that we have persistently pursued to resolve the issue through dialogue." Minister Han recently (from 9 to 19 February) visited the United States, where it was strongly demanded that sanctions be imposed on North Korea, and reconfirmed the ROK-U.S. basic position that the nuclear issue must be resolved through dialogue. Some people say this has affirmatively affected the negotiations between the United States and North Korea and led North Korea to accept nuclear inspections.

It is not clear, however, whether the minister's policy of resolving issues through dialogue led North Korea to accept nuclear inspections or whether North Korea accepted nuclear inspections because it had no other choice.

North Korea accepted nuclear inspections while he was discussing the North Korean nuclear issue with U.S. leaders. As a result, his U.S. visit proved to be productive. In this sense, he was lucky.

When Minister Han returned home from the United States, some people alleged that he leaned toward the North. Maybe conscious of the allegation, he cautiously talked about the improvement of North Korean-U.S. relations. He said: "One can think of several interim stages in North Korean-U.S. relations between the present status and the establishment of full diplomatic relations. Such stages may include lifting the virtual economic embargo imposed on North Korea, allowing businessmen to visit North Korea, and opening liaison offices." He stressed that when the nuclear issue is resolved, the improvement of relations between North Korea and the United States and between North Korea and Japan is not unfavorable to the ROK.

He pointed out that North Korea must be cautious of its fixed idea of the zero sum game in reunification diplomacy.

Minister Han had said that we must face the fact that matters that concern North Korea, will also be matters that will concern us. His view stems from the common principle that consideration must be guaranteed if one is to convince the other side. This takes root in the work of Harvard University Professor Thomas (Schilling) entitled, "Strategy in Disputes," which he was deeply

impressed with during his school days. Professor (Schilling)'s book developed the theory on methods for contemporary and international politics, such as the theories of games.

When asked if he had a hard-line view or moderate view in connection with the issues on North Korea, Minister Han said that he does not want to be classified as a hard-liner or soft-liner, but emphasized: "I believe that I am a realist."

It seems clear that when we examine his remarks on North Korean issues and on how he handles his work, he is a "realist." When the nuclear negotiations were in a difficult situation, Minister Han minutely adjusted the priorities in his remarks, and considering his status within the government and the president's position, he refrained from making unreasonable acts. We cannot say that he has complete command over the career officials within the Foreign Ministry, but it also does not mean that he is being dragged around by the officials.

When asked about the current reunification policy and the status of the National Unification Board, Minister Han refrained from making any remark by saying that it is not his field of work. He just said: "The Korean commonwealth reunification formula was announced in 1989. However, it seems that this formula does not sufficiently reflect the important changes that took place in the international environment since then."

After teaching at New York University until the late seventies, Minister Han returned to the ROK to teach at Koryo University. Since then he has taken part in the government's foreign policies by becoming a member of the diplomatic policy advisory committee of the Foreign Ministry and a member of the ROK-Japan 21st Century Committee. He also accumulated a considerable international reputation as a guest columnist of NEWS-WEEK. He is recognized as the minister among all former foreign ministers who has the best command of English. This is attributed to the fact that he lived in the United States for a long period of time. Prominent press and publications in the United States sometime show unprecedented friendliness by publishing special reports on him.

The interview now changed to the subject of trade and pending economic issues, such as the issue of opening the rice market, NAFTA, and the issue of Russia repaying economic cooperation funds. In particular, the issue of opening the rice market and taking part in NAFTA are issues that remain a challenge to him.

He said: "I believe that it will be inevitable to hold negotiations again on agricultural products because the countries participating in the Uruguay Round did not attach conditions when submitting the letter of content in the agricultural product field." He is saying that it is agonizing, but we cannot but keep the promise on opening our agricultural products, such as opening the rice market.

There are pros and cons between the government and academic circles on our participation in NAFTA, which officially went into effect early this year. However, Minister Han presented a considerably clear countermeasure. Considering the pace of progress in our efforts to achieve internationalization, Minister Han thinks that the issue of joining NAFTA must be examined in the long-term, and that at the moment we must promote cooperation with NAFTA member countries—the United States, Canada, and Mexico. He said: "In July, the U.S. Administration is planning to submit to Congress a report on methods to operate NAFTA, including ways to establish relations with nonmember countries. After taking this into consideration, we must establish countermeasures regarding this matter. Rather than becoming an official member of NAFTA, we must try to utilize various forms, such as becoming an associate member or establish special cooperative relations."

In connection with Russia's proposal to repay economic cooperation funds by providing up-to-date weapons and carry out joint venture projects, Minister Han showed a prudent attitude by saying: "Since this is an issue directly related to economic cooperation and security, the government's overall view will be provided after discussing this matter with related ministries."

Minister Han has been criticized that he concentrates too much on diplomatic policy issues to the detriment of internal reform issues. This is because internal reform to resolutely improve irrational diplomatic manpower structures and revise the network of diplomatic establishments abroad are still at a standstill. Many diplomats observing him hope that rather than seeking a simply realistic attitude, he will join in the ranks of carrying out reform.

**DPRK Delay in Answering Proposal Analyzed**  
*SK0103082294 Seoul KYONGHYANG SINMUN in Korean 1 Mar 94 p 3*

[Article by Yi Sung-chol]

[Text] The prospect of a South-North envoy exchange has dimmed as North Korea has failed to express its clear position on our 28 February proposal that South and North Korea hold a working-level contact on 1 March for the exchange of envoys.

This means that North Korea has broken the promise it made after a working-level contact with the United States in New York on 26 February. North Korea made an abrupt announcement of the delay in expressing its position after the South-North Liaison Office at Panmunjom closed at 1600 [0700 GMT] on 28 February, embarrassing our government.

The government analyzes that North Korea is delaying in expressing its position because it has not yet made a clear decision on its position on South-North dialogue. In the course of its negotiations with the United States, North Korea has insisted on resolving the nuclear issue

through "an agreement between North Korea and the United States," trying to exclude South-North dialogue.

North Korea opposed the stipulation of the South-North envoy exchange up to the last moment in the DPRK-U.S. working-level contacts that were resumed in New York on 22 February and created a crisis in which the nuclear inspection team's entry into North Korea was doubtful.

North Korea is probably calculating that by making the South lose face on South-North dialogue, it will gain the upper hand in negotiations when working-level contacts are resumed. This can be one of the reasons North Korea is delaying in expressing its position. North Korea, however, is not likely to ultimately refuse South-North working-level contacts.

It seems that when working-level contacts are resumed, intensive discussions will be held on the subjects the South and North Korean envoys will discuss and the method of exchange of the envoys. South and North Korea failed to reach a complete agreement on this matter until they concluded the third working-level contact on 25 October 1993. In the third contact, they came to a virtual agreement on the level and mission of envoys by agreeing that "high-level envoys nominated by the top authorities" of South and North Korea will "deliver verbally each top authority's intent and personal letter" to the other side.

Our side proposed hypothetically [chusangjoguro] that "they discuss the nuclear issue and the implementation of the South-North basic agreement," while North Korea clearly suggested that they discuss the implementation of the declaration of denuclearization, measures for easing tensions and implementing the North-South agreement, the promotion of the grand unity of the whole nation, pending issues between the two sides, and the South-North summit talks.

It seems that there will be no problem with this matter as our side at a meeting of unification-related ministers on 27 February expressed the position that the envoys "can discuss not only the nuclear issue and the issue of summit talks, but anything else."

North Korea's demand for the "suspension of the South's nuclear war exercise" and the "abandonment of the international cooperation system," which North Korea persistently raised in South-North working-level contacts last year—no matter what the agenda items of each contact were—cannot be a big problem, either, because it will be met automatically when the North Korean nuclear issue is resolved.

**Recent Development in Nuclear Issue Assessed**  
*SK2802095794*

[Editorial Report] Seoul vernacular dailies on 28 February carry editorials and articles assessing the recent development in the North Korean nuclear issue in which

the United States and North Korea are reported to have agreed on four points: 1) The United States will announce suspension of the Team Spirit joint military exercise; 2) North Korea will allow the International Atomic Energy Agency, IAEA, to inspect its nuclear facilities beginning 1 March; 3) the inter-Korean working contact for the exchange of special envoys will be resumed in Panmunjom; and 4) the United States and North Korea will hold the third round of high-level talks in Geneva on 21 March.

The conservative CHOSON ILBO carries on page 3 an 800-word editorial entitled "Progress Only on Procedural Matters." The editorial notes: "This progress in the North Korean nuclear issue is only in procedural matters. No real progress has been made. The so-called 'full-scope inspection' to which North Korea has committed merely has the significance of including in the inspection 'all of' the seven sites, including the five-megawatt nuclear reactor and the radioactive chemical laboratory. The 'full scope' inspection entails only one examination to determine if there has been any change in the seven sites since North Korea rejected inspection one year ago. As a matter of fact, this is a very limited inspection. Real progress to ensure North Korean nuclear transparency remains only in our vague expectation that such progress can be explored in the third round of U.S.-North Korean high-level talks."

The editorial notes North Korea unwillingly consented to the inter-Korean dialogue for the exchange of special envoys. The editorial notes the ROK Government's irresolute attitude to date in dealing with the North Korean nuclear issue, apparently out of the desire to induce North Korea to permit nuclear inspections, and stresses that in future talks on tackling the practical problems in talks with North Korea, we should take a tough, clear-cut position to ensure transparency in North Korean nuclear inspections.

The moderate TONG-A ILBO carries on page 3 a 900-word editorial entitled "North Korean Nuclear Inspection—This is Only a Beginning." The editorial notes: "Full-fledged negotiations will be begun at the third round of U.S.-North Korean talks, which will deal with the issue of IAEA inspection of the two undeclared nuclear sites in Yongbyon." The editorial notes that these two undeclared nuclear sites are the key to the resolution of the nuclear issue, and notes the fact that "the United States failed to put down in writing the resumption of inter-Korean dialogue as a precondition to the third round of U.S.-North Korean talks, accepting the North Korean stance that if South Korea proposes the exchange of special envoys, North Korea will hold a working contact in Panmunjom." The editorial continues: "Under this condition, North Korea proudly disclosed that it had agreed with the United States to suspend the Team Spirit ROK-U.S. joint military exercise." The editorial notes that when the inter-Korean contact is made in Panmunjom on 1 March, the South side will be able to find out how serious North Korea is

about inter-Korean dialogue and if the South's irresolute position in dealing with the North Korean nuclear issue has been appropriate.

The left-leaning HANGYORE SINMUN carries on page 3 an 800-word editorial entitled "The Nuclear Issue and the Attitude of the Authorities of North and South Korea." The editorial anticipates little problem in nuclear inspection by the IAEA "as North Korean delegate Ho Chong said that the inspection will be completed smoothly within the set period and the date for the third round of high-level talks is set." The editorial criticizes North Korea for its attempt to exclude South Korea, a direct party concerned in the national reunification and nuclear issues, from the discussion on the nuclear issue. The editorial criticizes that the South Government "looks like a groomsman," as revealed by the ROK's "awkward" announcement on the suspension of the Team Spirit joint military exercise after the United States and North Korea had already adopted the written agreement.

The pro-government SEOUL SINMUN carries on page 7 a 500-word article by Yang Sung-hyon entitled "The North Korean-U.S. Negotiation and the ROK-U.S. Joint Cooperation System" from the "Today's Eye" column. The article notes that relevant ROK Government officials feel the result of the U.S.-North Korean contact held in New York fell short of their expectations compared to the enormous efforts and energy of the U.S. and ROK side. The article notes the North Korean disclosure of the U.S.-North Korean agreement on the suspension of the Team Spirit joint military exercise before a ROK announcement and the failure to demand as a precondition for the third round of U.S.-North Korean high-level talks that meaningful progress is made in inter-Korean dialogue, and reports: "The failure to include this precondition in the U.S.-North Korean written agreement could be a stumbling block in the future in view of the unpredictable North Korean attitude."

The moderate CHUNGANG ILBO carries on page 5 an article by Pak Ui-chun entitled "The Inter-Korean Scuffle Over the Interpretation of the 'New York Contact.'" The article notes: "While South Korea claims that it followed through on its position with North Korea that the inter-Korean exchange of special envoys must be made before the third round of North Korea-U.S. high-level talks, North Korea claimed that the written agreement was adopted because the United States withdrew the unreasonable precondition, hinting that the exchange of special envoys was excluded as a precondition to the third round of U.S.-North Korean talks." The article continues: "The ROK Government explains that the United States did not include the inter-Korean exchange of special envoys in the written agreement because the United States can call off the third round of talks in case the exchange of special envoys is not realized." The editorial concludes: "Although North Korea shows an allergic reaction outwardly to the inter-Korean exchange of special envoys, it will probably agree to the exchange

of special envoys before 21 March to create an atmosphere favorable for the third round of talks."

**'Standard Contract' Promoted for N-S Trade**

*SK2802040494 Seoul YONHAP in English 0204 GMT  
28 Feb 94*

[Text] Seoul, Feb. 28 (YONHAP)—Adoption of a "standard contract" system is being promoted for business dealings between South and North Korea. A government official said on Monday that the system would be an effective means of preventing disputes stemming from the two sides' different setups. The system would also help minimize South Korean investment risks in North Korea as there are currently no bilateral investment guarantees.

If the two sides reached agreement, the form of trade and investment contracts would be formalized at a private level subject to approval by government authorities.

"We have conceived of the idea in the belief that chances are slim for the conclusion of a governmental South-North investment guarantee agreement in the foreseeable future," the official said.

The South is now working on a draft and when significant progress is seen in the nuclear issue, it will raise the issue with the North, the official said.

Japan and China introduced a standard contract system prior to normalizing diplomatic relations.

**Kim Chong-il Not President While Father Lives**

*SK0103063294 Seoul KBS-1 Radio Network in Korean  
0600 GMT 1 Mar 94*

[Text] KOREA REPORT, a biweekly magazine published in Tokyo, has reported that Kim Chong-il, North Korean Workers Party secretary and supreme commander of the People's Army, has directly denied the possibility that he will succeed the position of president or party general secretary as long as President Kim Il-song, his father, is alive. While quoting a well-informed source in Washington, the latest edition of KOREA REPORT, published on 28 February, reported that during a meeting with a Korean-American in January, Kim Chong-il said that he had no intention of succeeding, Kim Il-song, his father, as long as he is alive.

**Article Views Assessments of Kim Chong-il**

*SK0103133594 Seoul CHOSON ILBO in Korean  
1 Mar 94 p 23*

[Article by To Chun-ho, chief of the Department of the North Korean Affairs of CHOSON ILBO, from "The Road to Reunification" column: "Kim Chong-il?"]

[Text] In an interview for the March edition of WOLGAN CHOSON, ROK Ambassador to China

Hwang Pyong-tae—who returned to Seoul in early February to participate in a meeting of overseas heads of Korean diplomatic and consular missions—made shocking remarks regarding the North Korean power system.

He said: "There would be no difficulty for the Kim Il-song and Kim Chong-il system to last more than 30 or 40 years. In South Korea, the Pak Chong-hui system, which was established in the early sixties, lasted more than 30 years. The North Koreans are intelligent people."

It is unclear on what grounds Ambassador Hwang makes such remarks, but his remarks are very different from the previous view of ordinary people. In fact, new assessments of Kim Chong-il have recently been reported one after another.

Professor Kim Il-pyong, professor of the U.S. University of Connecticut, and Yi Hang-ku, author of the book "Kim Il-song" and an expert on North Korean affairs, have a positive view of Kim Chong-il's leadership ability.

Professor Kim said: "Kim Chong-il's succession to power in North Korea is just like a son of a businessman taking over management of the business. The Kim Chong-il system could be turned into a very different system, even though it inherits the Kim Il-song system. Therefore, it is highly possible that Kim Chong-il would maintain the stabilization of the system by creating his unique power system through political system reforms or economic system opening."

The professor reports several cases to prove his point: Kim Chong-il, who graduated from Kim Il-song University—a necessity for North Korean elites—has been interested in North Korean administrative reform since his campus days; has outstandingly developed the *chuche* idea "created" by his father; and has established legitimacy to his inheritance of power through a "symbolic fabrication," even though it represents a distortion of the truth.

He also added: In particular, Kim Chong-il has overcome several throes in the course of his study of power succession. These throes include his depression caused by his mother's death; his refugee life in Jilin, Manchuria during the 25 June Korean War; his feeling of uneasiness caused by his Oedipus complex due to his sister's death from drowning; his roughness; and his cruelty. (See HANGUK NONDAN, April Edition of 1992, p. 96-107)

Author Yi said that Kim Chong-il's habits of working until midnight, sleeping late, and receiving enjoyment from a "pleasure-giving team" do not truly represent his "basic character." Many experts, however, still have negative views of him.

Professor (Scalapino) said: "It is true that there are many rumors that he lacks knowledge, ability, and experience. It is a problem that although he can inherit power from

his father, he cannot inherit a charismatic character from him." Ms. Choe Un-hui and her husband Sin Sang-ok, who observed Kim Chong-il for a long time in North Korea, worry that he might take any action because he is very self-righteous and because of his negative character, his brutality, and his desire to become the best one in the world.

There have been rumors that he has been "in an accident." I believe that these rumors are rooted in the people's assessment of his abnormal character.

None of these different assessments of Kim Chong-il have ever been verified. However, it is a self-conceit to downgrade the North Korean power structure by regarding Kim Chong-il as a rowdy boy who knows nothing.

#### \* Specialist Analyzes Kim Chong-il Power Base

942C0043A Seoul MAL in Korean No 89, Nov 93  
pp 68-75

[By researcher Chon Hyon-jun]

[Excerpt]

#### Kim Il-song Death, North Korean Collapse Scenario

[Passage omitted] Up to now, the scenarios for a North Korean [DPRK] collapse have called for popular uprisings, a military coup d'etat, invasion of the South, and so on, but these have all been centered around Kim Il-song's demise. The common ground of these assertions is that despite Kim Chong-il's lack of ability as a supreme ruler, he became heir with the absolute support of his father, the supreme authority. Using Kim Chong-il's lack of ability, that is his lack of legitimacy, doubts about his crisis-management ability, personality defects, and so on, as the basis of their assertions, those arguing for an early collapse of the Kim Chong-il regime in particular say that immediately after the death of "godlike" Kim Il-song, or within two to three years thereafter, the DPRK people and bureaucrats will drive out Kim Chong-il because they link the causes of their economic stagnation with the 1973 decision within the party to make Kim Chong-il heir.

Thus, to present a counterargument to the scenarios dealing with the collapse of the DPRK system, we must examine the following questions. First, is the DPRK economy really in so bad a state as to make recovery impossible, even if there were a turnaround in circumstances? Second, does Kim Chong-il lack authority as "Suryong [leader]," is he incompetent, and is the support he receives from the party, government and military bureaucracy and from the people, the ruled, voluntary or is it forced? Third, are the general characteristics of socialism as strong in the DPRK as they were in the former Soviet Union and Eastern Europe or are the special characteristics of the DPRK strong? Of course, a strict distinction must be made between systemic and governmental change.

#### North Korean Economic Crisis

Is the DPRK economy really in so bad a state as to make recovery impossible? Proponents of a DPRK collapse due to economic backwardness say food riots have been continuously occurring recently due to the following: The DPRK economy entered a gradual decline beginning in the mid 1970s. It recorded a growth rate [as published] of 3.7 percent in 1990, 5.2 percent in 1991 and 7.5 percent in 1992, and its factory-operation rate was only 30-40 percent. Grain production was a mere 4.812 million tons in 1991, 1.6 million tons short of the total demand of 6.4 million tons, and it was short 2 million tons in 1992. The DPRK has not officially published economic statistics, however, so is not asserting that the DPRK economy is in the worst state possible based on estimates derived from a "New-People's-Account [Sin Kukmin Kyeong]" computation method excessively "our-style capitalistic" reasoning?

Experts on the DPRK economy set forth obstacles to an accurate understanding of DPRK economic reality generally for the following reasons: first, due to the closed nature of DPRK society, the DPRK does not officially publish statistical data on its economy every year; second, due to differences in economic systems, statistical concepts and standards are different; and third, exchange-rate problems between DPRK currency and foreign currency are not clear. Because in the DPRK, prices are artificially decided by the National Price Committee, not by the principles of a market economy, the functions and roles of currency are different from those of a market economy and this makes objective analysis difficult. In actuality, statistics on the DPRK GNP differ with each research organization. The DPRK GNP estimates calculated by the Unification Board, CIA (U.S. Central Intelligence Agency), IISS (Institute for International Strategic Studies), and SIPRI (Stockholm International Peace Research Institute) are all different. The figures of these research organizations differ by as much as 200 percent. This suggests that, ultimately, theories on the continuous negative growth of the DPRK economy may differ according to the statistical method used. Of course, these differences are not a basis for denying the backwardness of the DPRK economy.

What is important, however, is that the backwardness of the economy itself is not a sufficient condition for the collapse of the DPRK Government. There is a deep relationship between a change in government and economic backwardness, the degree of corruption among the power elite, and the extent of efforts by the bureaucracy to revive the economy. Only if the bureaucrats live well and corruption is rampant while the DPRK people shed their blood and sweat to surmount economic hardships, will the people certainly revolt. We will discuss the issue of change, therefore, by examining the corruption of the power elite and by examining what efforts the DPRK has made to revive its economy.

To what extent are the DPRK bureaucrats really corrupt? In 1991, Kim Chong-il criticized the corruption

and bureaucracy of government officials with the statement, "Our style of socialism centered in the masses of the people will certainly be victorious." This was a warning concerning the easygoing attitude, inertia, and corruption of the bureaucracy. Many defectors give witness to the corruption of the DPRK bureaucracy.

Concerning the degree and scale of that corruption, however, they make conflicting claims. At least, they say, the corruption of the DPRK bureaucracy is not as bad as that of the former Soviet Union's nomenclatura or of East Europe's communist parties. Moreover, their claims that systemic mechanisms for preventing corruption are exhaustive are important. That is, due to the development of a "ratification system" (a promotion-screening system) at each level to guarantee strictness in supplementing personnel, the development of a mutual surveillance system of criticism and self-criticism, consistent penalties, etc., the extent of bureaucratic corruption is probably not "general," contrary to what has been reported. Thus, it would be a more realistic analysis to say that the corruption of the DPRK bureaucracy is not serious enough to give rise to a change in the system.

#### North Korean Government Efforts at Economic Revival

Next, let us look at what efforts the DPRK bureaucracy has been making to revive the economy.

In a speech given in the "Industrial Zealots Rally [Kongop Yolsongja Taehoe]" held in 1975, Kim Il-song stressed the need for foreign trade and economic cooperation with the West: "...Although until now, we have generally traded with only socialist countries, we must now do a great deal of trade with newly independent nations and with capitalist nations as well. Under conditions of rapid economic development and the appearance of new economic sectors, we cannot satisfactorily obtain what we need by depending on socialist markets alone."

Based on this "teaching," trade with the West jumped. As a result, in the mid-1970s the percent of overall DPRK trade made up by trade with the West increased rapidly, up from 11.1 percent in 1965 to 40.6 percent in 1975. In the 1980s, the DPRK showed more aggressiveness in its foreign-trade policy. In the Third Session of the 7th Supreme People's Assembly held in January 1984, by adopting a bill entitled, "On Developing Trade by Strengthening North-South Cooperation and the Foreign Trade Enterprise," it made a clear switchover in its external economic policy.

After 1982, the DPRK leadership started to show interest, for example by visiting China's special economic zones, in the results of the economic development achieved by China through its publication of the 1979 "Foreign and Domestic Joint-Stock Enterprise Law." This series of events is the background behind the establishment of North Korea's "Joint Management Law." Its basic strategy is to import foreign capital and advanced technology without shouldering the burden of

repaying foreign debt and to use this in economic development. Although it is true that, contrary to the DPRK's original intention, the results of the Joint Management Law were slight due to inadequate economic conditions and to political and economic inflexibility, by establishing the "Foreigner Investment Law [Oegugin Tuja Bop]" and other laws supplementing the Joint Management Law between 1992 and 1993, the DPRK expressed a continued intention toward a "misquito-net [bangchungmang]" style of opening to foreign countries.

Since July 1989, along with its pursuit of developing special economic zones in Najin, Sonbong, and Nampo, DPRK announced its "Sonbong District Trade Zone" development plan in accordance with the Tumen River Basin Development Plan begun under the management of the UNDP in 1991. The main gist of this plan was to develop the area into a center of Northeast Asian economic cooperation and transportation by expanding harbor facilities in Chongjin, Najin, and Sonbong in the northeastern coastal region and by building highways as well as supplementing existing railways and roads connecting to this region in China and the Soviet Union. Also, development of this region entailed accepting the public investment, technological exchange, joint management/production of neighboring countries, and attracting partners for marine-products processing, clothing manufacturing, electronic-product assembly factories, etc. The DPRK actively encourages participation by South Korea also, and Deputy Prime Minister Kim Tal-hyon even visited the ROK directly, inspecting various industrial facilities.

We can assess that the DPRK elite have thus been doing their best to break through the economic crisis, even if only within the limits of what would minimize influences that might cause the collapse of the system. Although this has not produced results worthy of particular note due to the contradictions of the socialistic system itself and the excessive caution of the DPRK ruling class—that is, due to efforts to minimize the side effects of economic liberalization, it is maintaining the economy at a level where the DPRK people can lead at least a minimally acceptable life. More important, however, is that these efforts by the ruling class are acting in a purely functional way to create in the people a sense of unity with the state. Also, the reason DPRK economic backwardness does not lead into dissatisfaction with the system is to be found in the fact that the DPRK people invest more time and passion in working to overcome poverty than in criticism about it. Not only is this because of the DPRK people's low level of political culture, but it is also because they show an accommodating attitude, accepting reality as fate, which results from a loss of opportunities for comparison due to social control.

We must not overlook the fact that the DPRK's surrounding circumstances could be worse. Despite all obstacles, including the nuclear-inspection issue, China continues economic aid to the DPRK because it does not want a DPRK collapse; Russia also gives tacit approval

to unofficial economic dealings with the DPRK; and even the U.S. exported about 250 thousand tons of grain to the DPRK in 1993 alone, justifying it as humanitarian aid. Also, although not an official relationship, the DPRK continues unofficial economic exchange with Japan. Even its trade with the ROK reached about \$200 million in 1992. If the nuclear issue is concluded satisfactorily, the DPRK will gain improved relations with the United States and Japan, and because economic cooperation with other countries, including the ROK, will increase, the DPRK economy could take a turn for the better. Thus, we must conclude that, depending on the external environment, the DPRK economy always has potential for improvement.

#### Kim Chong-il's Policy To Make Himself "Suryong"

Next, the scenario predicting the collapse of the Kim Chong-il regime after the death of Kim Il-song is in error in that it attempts to distinguish between Kim Il-song and Kim Chong-il. According to this position, although Kim Il-song secured his status as "suryong" through his armed resistance to Japan, socialist construction and "victory" in the Korean War, Kim Chong-il has no such record and the economy actually began to deteriorate after he came on the scene. The people, therefore, pretend to support him while Kim Il-song is alive. After the death of Kim Il-song—the controlling power maintaining the system, however, the people will pull down the Kim Chong-il regime, either immediately or within 2-3 years.

The questions here are: Is it really possible to distinguish between Kim Il-song and Kim Chong-il; and has Kim Chong-il secured status as "suryong." The transfer of power in the DPRK is, in a strict sense, the handing over of the mantle of leadership as "suryong." For Kim Chong-il, it is securing this invisible authority as suryong, rather than possessing visible and institutionalized authority such as the position of president or secretary general of the party, which is his essential task. There is no office called suryong in the DPRK system. However, the conclusion of Chuche Thought, the basic ideology guiding DPRK, is the "theory of the suryong," and because it is not through the offices of president or general secretary that Kim Il-song rules, but through his "authority as suryong," the key to a smooth succession is for Kim Chong-il to inherit this authority.

What, then, has Kim Chong-il done to secure authority as suryong? First, he has worked to highlight his image as a great thinker. This is to emphasize his talent as a philosopher, second only to Lenin, Stalin, Mao Zedong and Kim Il-song—all of whom considered themselves philosophers. To do this, besides his many writings on art, including *A Study on Cinematographic Art* [Yonghwa Yesul Ron], he published works such as *On Chuche Thought* [Chuchesasang e Taehayo] in 1982, *On Several Problems Presented By Chuche-Thought Education* [Chuche Sasang Kyoyang eeo Chegidoenun Myoch-gaji Munje e Taehayo] (a completion of his ideas on the social and political organism) in 1986, *Our Style of*

*Socialism Centered on the Masses of the People Will Certainly Be Victorious* [Imindaejung Chungsim ui Urisik Sahoejuui nun Pilsungbulpaeida] in 1991, *The Historical Lessons of Socialist Construction and Our Party's Overall Line* [Sahoejuui Konsol ui Yoksajok Kyohun kwa Uridang ui Chongnoson] in 1992 and *Slander of Socialism Is Impermissible* [Sahoejuui e Taehan Hwebang un Hoyongdoel Su Opda] in 1993, supplementing the core value system of the DPRK, Chuche Thought, at the right time. Thus, there is no harm in assessing his ability to reinterpret Chuche Thought as "high level."

Second, he concentrated his efforts on highlighting his image as a statesman. By exercising "working-level leadership" of large-scale construction sites, such as light and heavy industry factories and "private homes [Sallim Chip]," and of export-product exhibition halls, he worked to highlight his image as a "construction genius." Also, by stressing the importance of consumer products through working-level leadership in 1984, he injected vigor into the production of consumer products. It appears that the liberalization policy for raising the people's standard of living presently in progress is being carried out centered on Kim Chong-il and the elite surrounding him. Although his liberalization efforts are probably "selective," it appears they will continue in the future as well. Of course, this effort to revive the economy is an essential stage for casting off the criticism that the economy worsened as he began to take control of the party in the early 1970s and for securing his authority as suryong.

Another important point is that the above series of policies to make Kim Chong-il the suryong were not developed in isolation from Kim Il-song. That is, the fact that Kim Il-song policy and Kim Chong-il policy are not independent from each other, but are progressing as a unity is important. Ultimately, the attempt to divide Kim Il-song and Kim Chong-il, whose relationship can be referred to as "One mouth, two heads" or "Duality in one body," is the product of a lack of understanding of the "the leader's [suryong] unified system of rule."

#### Kim Chong-il's Leadership Ability

With this, one thing that must be discussed is the question of the extent of Kim Chong-il's actual political ability. Up to the present, the assessment of Kim Chong-il's character has been divided into two groups, positive opinions and negative opinions. We will examine the negative opinions first.

First is criticism of his ability. According to this, he was chosen as successor despite his total lack of personal ability, merely because of the glory of the absolute ruler, Kim Il-song. Almost without knowledge of areas other than art, Kim Chong-il authorizes most papers presented by his secretaries without correction, the claim goes. Those with this outlook assert that because Kim Chong-il does not have his father's crisis-management experience, the people do not trust him.

Second is the problem of his style of rule. He is criticized for his lack of character as a leader. As a movie enthusiast, he wastes foreign currency on importing movies and reminds people of a capitalist bum, whiling away his time watching movies.

There is also criticism of the policy decisionmaking process and the problem of a crippled distribution of power. That is, because Kim Chong-il prefers a "reception-center political style" (kitchen cabinet), rather than through the normal process of debate, impromptu decisions are made. Because these are more influential than normal decisions, bureaucrats unable to participate in this group remain as a potentially dissatisfied force, it is argued.

Third is the problem of his character. It is argued that because he lost his mother early and grew up under a stepmother, his character became fastidious and twisted. People began flattering him early on, so he is insolent and behaves arrogantly, such as by holding his arms behind his back even in front of Kim Il-song, it is asserted.

Conversely, there are also those giving a positive assessment concerning these problems. First, some assert that, hidden by the might of the political giant, Kim Il-song, he has been unable to receive a just evaluation. The reason he is not popular, according to this analysis, is that in being extremely [as published] loyal to his father, Kim Chong-il refrains from any political activity that might hurt his father's authority.

Second is a problem related to movies—after graduating from Kim Il-song University in 1964, the first area he started gaining experience in was propaganda and agitation. Ideological theory was an important means of maintaining the system. Movies were, given the cultural level at the time, the quickest and most convenient medium capable of conveying the state's objectives and stirring up emotion, mobilizing the masses toward the goals fixed by it. He could not help, therefore, but naturally become interested in this area, the argument goes. Of course, his talent for art is actually reported to be outstanding.

Third, an assessment of Kim Chong-il's arrogant attitude is also different. Kim Chong-il's concern for not only the first-generation revolutionaries, but also for the children of dead revolutionaries is said to be out of the ordinary. For military veterans in particular, he is said to protect their livelihood, even promoting them; he is so polite to veteran revolutionaries, he even goes around visiting them on New Year's Day, offering them the traditional bow of respect and presenting them with presents of hairdye. According to the testimony of defected diplomat Ko Yong-hwan, when the Ministry of People's Armed Forces Minister O Chin-u had a traffic accident and was near death, Kim Chong-il took quick action, saving him. Through such examples, we can see that Kim Chong-il's attitude toward the revolutionary generation is not as haughty as is reported.

This writer's position is that Kim Chong-il may not be greatly troubled by formality but is more concerned with substance and may possess an open personality due his artistic character. This writer believes that there is a high probability that the extreme assessments of the wild extravagance of Kim Chong-il are biased. Of course, this is not a personal justification of Kim Chong-il himself. Despite the many skeptical perceptions of him, given the fact that in the 30 years since 1964, Kim Chong-il has accumulated political statesmanship and, even at present, he exercises actual, absolute authority, it is the conclusion of this writer that he has political ability and is likely to exercise strong authority in the future as well. This is particularly the case since in 1993 when he declared a state of semi-war (8 March), declared the DPRK's withdrawal from the NPT, and so on, and now appears to have passed the "national-crisis-management test." Because there is a high probability that this was an internal following of precedent for his accession to the position of supreme ruler, this writer believes that as long as the DPRK does not suffer a preemptive attack by the U.S. or other countries, Kim Chong-il will not attempt a militarily adventuristic, first strike on the ROK.

#### **Party, Government, and Military Bureaucracy Support for Kim Chong-il**

What must be discussed next is the degree of support for Kim Chong-il in the party, government, and military bureaucracies. In a system of strong, one-man rule such as in the DPRK, having a wide reputation is an absolute precondition for the successor to inherit power. In this aspect, Kim Chong-il is perfect. The proof of this is the repeated confirmation by the DPRK's supreme ruler Kim Il-song of Kim Chong-il as his successor and his securing of the necessary offices. Anyone who would become supreme ruler in the DPRK, a country maintained by a triune governing structure of party, government, and military, must gain control of these ruling organizations. This means that, by whatever means, he must secure the power elite as a support base.

Thus, since the 1960s Kim Il-song has in fact devoted his energies to securing the support of the power elite, the basis of rule, for Kim Chong-il. As a result, he was able to secure the support of the 1.5 and second-generation revolutionaries. The 1972 decision on Kim Chong-il as successor was possible because he had the approval of the first-generation revolutionaries. There are those who actually assert this. A division of Kim Chong-il's support base is as follows: first, Kim Il-song's partisan comrades; second, party and government bureaucrats in their 50s and 60s who are well-trained through foreign schooling or travel; third, graduates of Mangyongdae Revolutionary Institute and Kim Il-song University; fourth, former members of Three-Revolutions Teams; fifth, the "Korean Socialist Workers and Youth League [Sarochoong]", a party auxiliary organization composed of youth ages 14-30; sixth, military forces around him and numerous party organizations within the military; and lastly, relatives and in-laws.

The Kim Chong-il power base is thus "comprehensive." Horizontally, it includes the party, government, and military, all three elements sustaining power. Vertically, it takes in each sector, from the top to the very bottom. Also, not only does Kim Chong-il's power base include people from each sector horizontally, scholars, scientists and technicians, party bureaucrats, soldiers, vertically, it contains the older (60s and 70s), middle-aged (50s) and younger (30s and 40s) generations.

In the DPRK, predominated by a party, control of the party is essential for securing and maintaining power. Here we can say that control of the party signifies complete command of both the Politburo and the Secretariat. This is because the authority of the Secretariat is almost absolute. Article 26 of the "Korean Workers Party Regulations" reads, "When necessary, the Secretariat deliberates and makes decisions on problems within the party, such as party personnel changes and pressing problems, and organizes and guides the execution of its decisions." In the October 1980 sixth party conference, this party regulation was created as Kim Chong-il was appointed to secretary so he could "grab hold" of the reins of the party, government, and military. Afterward, he organized and reshuffled party organizations as he saw fit. Ultimately, we can see that the Secretariat actually surpasses the Politburo, given the fact that the supreme ruler Kim Il-song holds the office of general secretary and number-two man Kim Chong-il acts as agent of his authority.

By gaining control in the Secretariat of the organs of physical coercion, the National Defense Commission, the Social Safety Commission, the People's Armed Forces and General Bureau of National Security [Howi Chongguk], through the "Organization Leadership Commission [Chojik Chido Pu]"—the key to maintaining power, thus controlling the elite, Kim Chong-il secured the position of actual, supreme ruler. All positions in the Secretariat are filled with Kim Chong-il's royal-guard group of technocrats: Kye Ung-tae, Chon Pyong-ho, Han Song-ryong, Choe Tae-pok, Kim Chung-rin, Pak Nam-ki, So Kwan-hui, Yun Ki-pok, Kim Yong-sun, Hwang Chang-yop, Kim Kuk-tae, and Kim Ki-nam.

Kim Chong-il has used well a policy of identification with his father: his father becoming absolute is his own becoming absolute. This policy was clearly seen in his recruitment of personnel into the power elite. Kim Chong-il politically weeded out beforehand anyone who might be able to oppose the Kim Il-song-Kim Chong-il hereditary regime by adopting a "ratification system." Ultimately, only relatives, in-laws, and children of revolutionaries with good backgrounds received preferential treatment. They gained power by "carrying on the family line." We can say that, ultimately, the power elite of the Kim Chong-il system realized a firm, united organization centered around the "leader [suryong]" Kim Il-song and the "little leader [chagun suryong]" Kim Chong-il.

### The Establishment of Kim Chong-il's Leadership of the Military

In this context, we will do a deeper analysis of the military's attitude concerning the hereditary system and whether it will "carry on the family line" and be loyal to Kim Chong-il after the death of Kim Il-song. The Kim Chong-il regime will be a period of transition. Behind the question of what attitude the DPRK military will take during that time are questions, related to the issue of the hereditary system, of whether the armed forces will bring about change in the system through a coup d'etat either before or after the death of Kim Il-song and, in the event of trouble between pro-Kim and anti-Kim factions in the course of Kim Chong-il's succession to power, of which side the military will support.

As the DPRK system was being prepared for Kim Chong-il to become heir in the early 1970s, the problem of establishing his control of the military naturally came up. To eliminate this, his weak point, Kim Il-song had Kim Chong-il lead the "Three-Revolutions Team Movement" beginning in 1974. In 1973, he expanded the "Three-Revolutions Red Flag Movement" to the military, strengthening its solidarity with ground-level elements within it. The "Three-Revolutions Red Flag Movement" could not but succeed as a means of controlling the military. Not only was it a government movement strongly supported by Kim Il-song, but Kim Chong-il also worked passionately for its success. The basis for this conclusion can be found in the papers published by high-level generals every year since 1975 at every important military function, praising the movement and calling for strong solidarity oriented around Kim Il-song and the party center (Kim Chong-il).

Even in the 1980s, the military continued its oath of allegiance to the hereditary regime continuing from Kim Il-song to Kim Chong-il. In the ceremony commemorating the 48th anniversary of the founding of the People's Army, O Kuk-ryol emphasized Chuche Thought, saying, "The soldiers of the People's Armed Forces and all the people must go on, emphasizing and fulfilling the teachings of the great leader and their embodiment, the policies of the party." To stir up the moral of the troops, Kim Il-song reorganized the MPAF and the National Defense Commission in the April 1982 First Session of the Seventh Supreme People's Assembly, taking them out from under the Cabinet, making them directly subordinate to the Central People's Committee. In April 1985, he promoted MPAF minister O Chin-u from general to vice marshal and Colonel Generals O Kuk-nyol, Paek Hak-nim, Kim Tu-nam, Yi Ul-sol, Chu To-il, Kim Pong-yol, Kim Kwang-chin and Yi Tu-ik, eight veterans [an honorary title], to general. In 1988, he restored Choe Kwang, who had lost his job in 1968, making him Chief of Staff of the People's Armed Forces and after the 1990 Ninth Supreme People's Assembly, in December, he made him the third-ranking candidate member of the party Politburo.

To commemorate his 50th birthday (16 February 1992), Kim Chong-il gave special promotions to the next higher rank to officers ranging from junior lieutenant to major, to promote their loyalty. On 20 April 1992, he and O Chin-u were promoted to marshal. At the same time, he promoted Choe Kwang, Yi Ul-sol, Chu To-il, Choe In-tok, Paek Hak-nim, Yi Tu-ik, Kim Pong-nyul, and Kim Kwang-chin, eight military veterans, to "vice marshal." As the supreme commander of the Korean People's Armed Forces, he issued an order on 23 April 1992 promoting his supporters: Tae Pyong-nyol and 15 others to general, Kim Ha-kyu and 27 others to colonel general, Kim Tae-sik and 95 others to lieutenant general, and Yi Hyong-sop and 523 others to major general. Thus, he firmly established his military base of support.

Later, commemorating the "40th Anniversary of Victory," on 17 July 1993, Kim Chong-il appointed, through "marshal" O Chin-u, Choe Chun-kil and 13 other Korean War veterans to lieutenant general and Yom Tae-kyong and 84 others to major general, stimulating their moral. In the "Old Soldiers' Rally [Robyong Taehoe]" held on July 23, 1993, People's Armed Forces Chief of Staff Choe Kwang said concerning this, "Taking as our example that conviction, that spirit with which we served the great leader, making our bodies guns and bombs, we must defend to the death our supreme commander Comrade Kim Chong-il, no matter what violent gale blows," pledging to be loyal, "carrying on the family line." It appears that, ultimately, the military bureaucracy will continue to be loyal even after the death of Kim Il-song as long as Kim Chong-il does not do anything "strange," such as rapid reform, that would endanger the preservation of the system.

What of the people's support of Kim Chong-il? Of course, this is very difficult to assess given the present circumstances. However, the DPRK people generally believe there will be a smooth transfer of power to Kim Chong-il, according to an analysis of questionnaires given to defectors. Because the DPRK people perceive their leaders, beginning with Kim Il-song and Kim Chong-il, to have been born possessing special "innate" abilities, challenge to authority and denial of Kim Il-song and Kim Chong-il are considered forbidden, according to defector testimony. Also, the DPRK people are believed to think of Kim Chong-il, not as the son of Kim Il-song, but as a "comrade" always near, listening to and solving all their problems. Concerning "being loyal, carrying on the family line," it is said that because they think of it as a kind of family-property system in which a son inherits and continues father's work, they understand it just as they do the idea that a miner's son must become a miner and a latheman's son must become a latheman.

As we observed above, Kim Chong-il can be said to be doing his best to raise the people's standard of living within the limits of his authority. What is important is that the people have no great interest in the hereditary regime itself. That is, due to a lack of experience in voluntary participation and to political indifference

caused by their patriarchal political culture, the people accommodate to the system. This writer thinks wrong the conclusion that, without Kim Il-song, Kim Chong-il will ultimately awaken the DPRK people from their myths and that this will lead into the collapse of the DPRK regime.

#### **Special Characteristics of the North Korean Power Structure**

Next, we will discuss special characteristics of the DPRK power structure distinguishing it from the former Soviet Union and Eastern Europe. The special characteristics of the DPRK system can be organized as follows.

First, it is a long-term, father-son hereditary structure. Unlike the former Soviet Union and Eastern Europe, the DPRK overcame the ideological quarrels of the early regime, establishing a unified system of rule comparatively early. Later on, Kim Il-song appears to have thought the only way to ensure that his existence as father of the nation is passed on to later generations was to see that his family was idolized and, as in a patrimonial patriarchy, to pass on his power to his eldest son Kim Chong-il. Of course, there were artificial attempts to inherit power in some socialist countries also, such as the former Soviet Union and some countries of Eastern Europe, but these all failed. Even these were only attempts to hand over power to an associates or subordinate, not to a son. Thus, we can say that DPRK's father-son transfer of power by inheritance is unique.

Due to fears of a coup d'etat and general revolution, during their time in power, dictators arrange for the power elite to thoroughly hold each other in check, watching and controlling them through organs of violence. They tend not to cultivate a number-two man while in office because they fear conspiracy. As a result, the designation period of the number-two man is short. Thus, the predecessor dies without giving his successor sufficient time to strengthen a power base, resulting in his fall from power. There are also situations in which the designation of a successor occurs unofficially, only between those concerned; remaining leaders refuse to acknowledge the legality of this, resulting in his fall from power.

To prevent this, in 1972 when he was 60 and Kim Chong-il was 30, Kim Il-song unofficially designated Kim Chong-il as his successor in the party; during the 20 years since then, he has strengthened a firm power base for him in the party, government, and military.

Second, it is a structure of relatives and in-laws and of individuals holding multiple positions. One of the unique characteristics of the Kim Il-song power structure is the fact that most of his relatives and in-laws appear in key posts, differing from the former Soviet Union and Eastern Europe. Filling key positions, these relatives and in-laws of Kim Il-song and Kim Chong-il support the Kim Il-song-Kim Chong-il hereditary regime more faithfully than any other of the elite. Unlike the former Soviet Union and Eastern Europe, DPRK had no experience of

freedom before communization. Thus, patrimonial traditions remain across the whole of society, making rule by "blood relatives [yukchinjok]" possible. Power in the DPRK is amassed and concentrated in the hands of about 40 of the power elite. High-ranking elite hold multiple key positions in the party, government, military, and Supreme People's Assembly, making for easy harmony between the party, government, and military and raising the effectiveness of policy. From this aspect, it is apparently difficult for factional strife due to differences in group interest or line, or strife between reformists and conservatives, to arise.

Strife is unlikely to arise in the DPRK for the following reasons: First, succession of power is going to the oldest son in accordance with patrimonial tradition. Also, because preparation for the succession has been going on over the long period of the last 20 years, it is unlikely that there will be a movement to downgrade the predecessor or revolutionary change as in the former Soviet Union and Eastern Europe. Second, because the present power-elite structure is already firmly behind the Kim Chong-il succession, it will be difficult for trouble to form within the elite group even after the death of Kim Il-song. Third, as for the pluralism which appeared in the Soviet Union after Khrushchev's campaign to downgrade the status of Stalin, it seems unlikely to appear in the DPRK. This is because strife is not permitted due to a political situation permitting only one philosophy, one system, and one line; the rest are purged. Fourth, although in the DPRK too there have been small changes in the character of the power elite, such as a gradual increase in the number of specialist bureaucrats, the extent of these changes is minuscule compared to the former Soviet Union and Eastern Europe. Not only this, but because the ranks are filled with "double-natured bureaucrats," based on the principle, "party member first, specialist second," their loyalty to Kim Il-song and Kim Chong-il is high.

Thus, although there may be developing a weak foundation from which trouble can form, expression of such strife as was seen in the former Soviet Union and Eastern Europe is still unlikely in the DPRK. More important is the fact that the DPRK power elite will not stir up trouble over the regime's line even to maintain their own positions. Given the degree of cohesion among the DPRK power elite, spontaneous, external expression of strife related to reform and liberalization appears improbable. Even if they were to understand that opening up to the outside world as a response to changes in their surrounding environment is unavoidable, their method would be to pursue a very careful, "mosquito-net"-style, selective liberalization.

#### Looking at the Kim Chong-il Regime Rationally

Additionally, North and South Korea experienced the horrible tragedy of fratricidal war called the Korean War. The ROK's "red complex" and the DPRK's "Yankee complex" are greater and deeper than can be discovered in any other divided country. In a relatively

inferior position, the DPRK's anxiety is incomparably greater than that of the ROK. Thus, even if the "Two Kims" (Kim Il-song, Kim Chong-il) did not exist, the next supreme ruler, whether in an authoritarian system, a military dictatorship or the Democratic People's Republic of Korea, will try to maintain the DPRK as a nation.

Even in the worst-case scenario in which Kim Chong-il is overthrown and an unexpected figure becomes leader, it is possible he will call himself the successor of Kim Il-song and do his best to maintain the DPRK as a nation, even making use of "Kim Il-song-resurrection theories [Kim Il-song puhwal ron]" if need be. In this context, even if the DPRK does not carry out a first strike, in the event an extreme situation develops, such as a bombing of the DPRK by the United States and other countries, we cannot preclude the possibility that the DPRK will choose to "fight to the death [okswae]" rather than abandon its nationhood.

In conclusion, in the past, there was an era when, clinging to the "Fake Kim Il-song Theory," even bringing up his name was considered taboo. Yet, Kim Il-song is unshakable despite the sudden changes in the former Soviet Union and Eastern Europe. Far from falling from power due to internal rebellion, he is actually more revered by a people enveloped in a fear of sudden change. Thus, our "Fake-Kim-Il-song-Theory" understanding of and policies toward the DPRK have been proven unrealistic. By responding while overlooking Kim Il-song's ability and suitable research on the special characteristics of the DPRK system, we have been unable to come up with effective measures to counter the DPRK's unification policy toward the South.

Looked at in the above context, our evaluation of Kim Chong-il may be the same. He may not compare to the "unique" leader, Kim Il-song, but he will manage the system in his own way, based on the support of the people and bureaucracy resulting from over 30 years of public life and the special character of DPRK's suryong-centered system. It is the conclusion of this writer that in the future, through gradual, selective reform and liberalization, he will satisfactorily solve the problems of economic backwardness, the DPRK's relationship with the U.S., North-South relations, and so on. Therefore, by excessively stressing only his irrational side, we are only preparing measures based on the theory that the Kim Chong-il regime will collapse soon after the death of Kim Il-song, neglecting the preparations for gradual unification that would be needed in the event of long-term survival by the Kim Chong-il regime. This would be to repeat the same blunders caused by the "Fake-Kim-Il-song Theory."

#### President Comments on Upcoming PRC Visit

SK0103052094 Seoul YONHAP in English 0212 GMT  
1 Mar 94

[Text] Seoul, March 1 (YONHAP)—President Kim Yong-sam said Tuesday he plans to discuss with Chinese

leaders for a peaceful resolution of the North Korean nuclear issue when he visits China March 12.

In an interview with the KYONGNAM SINMUN on the occasion of the 48th anniversary of the local newspaper in South Kyongsang Province, Kim made the remark hinting that there were ongoing discussions between South Korea and China on the nuclear problem.

"My upcoming trips to Japan and China will be historical visits that will leave a distinct mark in the pan-Pacific era," Kim said.

Noting that Japan and China are two of South Korea's three largest trade partners, Kim said the country has to surpass Japan in technology and competitive strength if it wants to be a force to be reckoned with in the world.

As for China, it is a country with enormous potential, Kim said. It isn't too much, therefore, to say that South Korea's economic future depends on what kind of relations it will have with the giant neighbor, he added.

The president said he plans to discuss how to steer the course for future-oriented ties with Japan and how to promote favorable economic relations with China when he visit Tokyo and Beijing later this month.

With regard to a possible summit with North Korean President Kim Il-sung, Kim said he did not know when it will be realized. But if it does, he hopes to discuss problems including peace and denuclearization of the Korean peninsula as well as inter-Korean economic cooperation.

On North Korean military provocation, Kim said he could not rule out the possibility unless peace settles in Korea through mutual trust. South Korea is trying to change the attitude and way of thinking of the North Koreans through dialogue, Kim said.

Asked about a possible unification through the so-called "absorption formula," Kim said "it is not desirable, nor will it ever be a goal for South Korea."

**Article Analyzes Serbian Fighter Shootdown**  
*SK0103023894 Seoul TONG-A ILBO in Korean*  
*1 Mar 94 p 7*

[Article by Yi Chin-ung]

[Text] The Bosnian situation has entered a new phase because on 28 February Serbian and Croatian fighters attacked Muslim strongholds and U.S. Air Force planes under NATO command shot down Serbian fighters.

The Serbian and Croatian bombings are considered to be a "sort of challenge" to the United Nations, which has declared the skies over Bosnia a no-fly zone. The bombings may result in the international community's intervention and the escalation of the civil war. Everything depends on how NATO and the United Nations, which

have recently warned that they would bomb Serbian areas, will respond to the bombings.

The skies over Bosnia has been declared a no-fly zone since last April: On 31 March, the UN Security Council adopted Resolution No. 816 declaring that no aircraft of the Serbian, Croatian, and Muslim groups, except for approved aircraft, can fly into the Bosnian airspace in an effort to prevent the civil war from spreading.

According to this resolution, NATO daily conducted reconnaissance in the no-fly zone. There have been approximately 7,000 flights so far, approximately 20 flights a day.

UN Security Council Resolution No. 816 says: "All Necessary measures can be taken against any aircraft illegally flying in the no-fly zone." This virtually means it is possible to shoot down such aircraft. The center of this reconnaissance mission code-named "Deny Flight" is the Vicenza U.S. Air Force base in northern Italy. Ten NATO member countries, including the United States, Britain, France, and Germany, have participated in the reconnaissance mission.

Fighters and reconnaissance planes based in the Vicenza base and other U.S. military bases and aircraft carriers have reportedly been flown for this mission, and a total of 4,000 personnel, including pilots and technicians, are participating in this mission.

There have been approximately 250 violations of the no-fly zone. Serbs violated the zone most of the time, and this was the first time fighters violated the zone.

The downing of the Serbian fighters developed into a fierce exchange of fire between the Serbian army and the Muslim army of Bosnia, which took place a few hours later. This diminishes the prospects of a peaceful resolution of the Bosnian situation.

**Government To Join Convention on Waste Control**  
*SK0103050194 Seoul YONHAP in English 0117 GMT*  
*1 Mar 94*

[Text] Seoul, March 1 (YONHAP)—The South Korean Government sent an application to United Nations Secretary-General Butrus Butrus-Ghali Monday to join the Basel Convention, which controls trans-boundary movements and disposal of hazardous waste.

South Korea will be regulated by the Convention from May 29, 90 days after it sent the application, the Foreign Ministry said.

Under the Convention, signatories cannot trade waste matters with nonparticipants. If they want to export waste, they should receive written approval first from the country which imports the waste.

The Basel Convention specifies the kinds of waste matters to be controlled, and sets procedure of trans-boundary movements of the waste and ways to make a final disposal of the wastes in order to protect human health and environment.

As of now, 52 countries joined the Convention.

### **Military Supplies Reportedly Sold to Egypt**

SK2802041494 Seoul TONG-A ILBO in Korean  
28 Feb 94 p 2

[Text] It was learned on 27 February that the Defense Ministry is promoting the export of general military supplies such as military uniforms and ammunition to Egypt.

A Defense Ministry source said on 27 February: "Early this year Egypt expressed the will to purchase our military supplies. We plan to allow the exportation of general military supplies with the exception of heavy firearms such as howitzers."

This source revealed that currently there are no ambassadorial-level diplomatic relation with Egypt and that only consulate generals have been exchanged. Therefore, there is still a limit on the purchase or military exchange of defense industry materials.

This source also explained that to promote relations with Middle East countries in the future, positive examination is being carried out on selling military supplies to Egypt.

### **Riot Police Search University Campuses in Kwangju**

SK0103122294 Seoul THE KOREA TIMES in English  
1 Mar 94 p 3

[Text] Kwangju—Thousands of riot police stormed into two university campuses here early Sunday morning and arrested 39 students, suspected of having instigated violent anti-government protests.

It was the first search of university campuses since the inauguration of President Kim Yong-sam's "civilian" government a year ago.

In the two-hour raids that began at 4:30 a.m., police failed to arrest leaders of "Namchongnyon," an organization of students in Cholla-namdo and Kwangju regions, but seized four-tons of leaflets, iron pipes, clubs, fire bombs and other demonstration items.

The student leaders are suspected of masterminding the raid on the U.S. Cultural Center in Kwangju last November and other protests.

Some 5,000 police troops were mobilized in the pre-dawn operation during which no violence broke out.

"The search was inevitable to uproot violent protests and to arrest students who led dozens of demonstrations even since the inauguration of the civilian government," a police spokesman said.

"We will put riot police into any campuses from the dimension of safeguarding law and order, if radical and violent protests are to take place in the days to come," he stressed.

Campus protests had almost died out last year under the influence of Kim's strong reform drive, but the government's decision to allow rice imports rekindled the students action against the agreement of the Uruguay Round talks.

Student leaders last month declared they would embark on a nationwide struggle this spring to support farmers in blocking rice imports.

### **75th Anniversary of Independence Movement Marked**

SK0103015394 Seoul YONHAP in English 0143 GMT  
1 Mar 94

[Text] Seoul, March 1 (YONHAP)—The nation observed the 75th anniversary of the March 1 anti-Japanese independence movement in solemn ceremonies held across the country.

In a main ceremony at Sejong Culture Center in Seoul, President Kim Yong-sam conferred honors on nine independent fighters, including the late Pak Do-hyon. This brought the total number of independence fighters honored so far to 6,472.

The ceremony was attended by over 4,000 people, including National Assembly Speaker Yi Man-sup, Chief Justice Yun Kwan, members of Kwangbok-hoe, the Korea Liberation Association, and relatives of fallen independence fighters.

On the 50th anniversary of the Liberation Day in August, the government will confer honors on newly found independence fighters in China, the United States and other countries. For this, the government will search for independence fighters, both alive and deceased, in the ethnic Korean communities in these countries.

### **Kim Yong-sam Addresses Ceremony**

SK0103035294 Seoul KBS-1 Television Network in Korean 0133 GMT 1 Mar 94

[Speech by President Kim Yong-sam at the ceremony marking the 75th Anniversary of the Independence Movement Day at the Sejong Cultural Hall in Seoul on 1 March—live]

[Excerpts] [passage omitted] Now we have a good opportunity to make a great national leap, and we should not miss this opportunity. We must increase the national

competitive strength to stand out [potilsu innun] in the international arena. [passage omitted]

Only those countries that have enough competitive strength can become a genuine self-reliant and independent country in the limitless competitive age.

We should not stick to the past national sentiment. We must advance toward the future and the world, considering the past as a valuable lesson. [passage omitted]

Our ancestors said that they would not punish Japan for its past crimes nor condemn its acts, while they were protesting the pitiless colonial rule. They also said they would not try to satisfy their grudge accumulated in the past. They were right. We should cooperate with Japan in a dauntless manner [tangdanghage] with confidence and national pride, and we should also win the just and fair competition with it, without fail. [applause]

It is time for us to have a future-oriented view of history and to demonstrate our ripened national capacity. It is time to advance toward the world with a correct understanding of the new Japan, the new Asia, and the new world.

Dear 70 million fellow countrymen:

Without national reunification, the building of a self-reliant and independent country cannot be completed. The national division is a historic holdover from the past that must be cleared. Only when we destroy the wall of national division, will we finally be able to enjoy the true glory of the nation, and can we become a responsible nation that will make a greater contribution to the co-prosperity and peace of the world.

Reunification should be achieved in a direction going with the trend of world history. The world is moving toward an era of openness and cooperation, putting an end to the era of distrust and confrontation.

North Korea must realize that reform and openness is the only shortcut in making the nation one and guarantee the nation's welfare. [applause]

#### Defense Ministry Adds 'World Peace' to Objective

SK2802081394 Seoul KYONGHYANG SINMUN in Korean 28 Feb 94 p 2

[Report by Kim Chong-tu]

[Text] The government decided to revise its national defense objective, which is a long-term policy directing national defense, by inserting a section on "contributing to world peace."

Until now, the government has only attached importance to contributing to security and peace in Northeast Asia because it regarded North Korea as its main enemy. The government has now expressed the will to also contribute actively to world peace. This is worth paying attention to.

A high-ranking Defense Ministry official said on 27 February: "Our national defense goal is to 'defend the country from an invasion, guarantee peaceful reunification, and contribute to regional security and peace.' We are actively examining adding a section on contributing to world peace."

As soon as such a revision is approved by the president, the Defense Ministry plans to insert this into the national defense white paper sometime this autumn. A Defense Ministry official commented: "The government has started to make great contributions in efforts to achieve world peace, such as dispatching our forces to Somalia upon the request of the United Nations last year. Our national defense goal has to be revised as it is limited to regional security and peace. Inserting a section on contributing to world peace in our national defense goal displays the growth of our national strength. This will also play a positive role in enhancing our international status." This official added: "Our government's military diplomacy will also be greatly enhanced through the revision of our national defense goal. In particular, through good neighborly military relations with other countries, we will work to take the initiative in achieving peace and security on the Korean peninsula."

#### Country Posts Current-Account Surplus in 1993

SK2602021394 Seoul YONHAP in English 0544 GMT 25 Feb 94

[Text] Seoul, Feb. 25 (YONHAP)—South Korea registered a current-account surplus in 1993 for the first time in four years. Nonetheless, the prospects for the coming year are not necessarily bright because imports are expected to increase sharply as economic growth speeds up and increasing foreign fund inflows will strengthen the won's value on the foreign exchange market.

Together with anticipated high inflation, these factors will in turn blunt the competitive edge of Korean products on world markets. In addition, the yen's continued strength, which has helped sharpen the competitive edge of Korean exports, remains uncertain in the coming year.

The Bank of Korea on Friday reported a current-account surplus of 450.3 million U.S. dollars for 1993, a striking reversal from the deficit of 4.528 billion dollars recorded the year before. A favorable trade balance and decreased remittances abroad thanks to the real-name financial transaction system are credited for the turnaround.

The surplus was the first since the 5.054 billion dollars recorded in 1989. In the four years from 1986, the nation had enjoyed a favorable balance of international payments thanks to the three lows—low oil prices, low wages and a weak won. In the ensuing three years, however, South Korea suffered current-account deficits due chiefly to high wages and failure in industrial restructuring, with deficits of 2.179 billion dollars in 1990 and 8,727 million dollars in 1991.

In 1993, exports rose 7.8 percent to 81.023 billion dollars on a balance-of-payments basis and imports edged up 2.1 percent to 78,946 million dollars to produce a surplus of 2,077 million dollars, compared with a deficit of 2,146 million dollars in 1992. The favorable trade balance was attributed to a two-digit increase in exports of heavy and chemical industry products and an upturn in light industry exports.

The transfer account also recorded a surplus of 712 million dollars, up from 232 million dollars in 1992: Outward remittances fell from 1,744 million dollars in 1992 to 1,569 million dollars as a result of the real-name financial transaction system, while inward remittances rose from 1,817 million dollars to 1,825 million dollars. But invisible trade, including insurance and transportation, continued to suffer a deficit last year, though the amount fell from 2,614 million dollars in 1992 to 2,339 million dollars.

The transportation account incurred a deficit of 3.029 billion dollars, while travel and investment-yield accounts suffered deficits of 589 million dollars and 1,339 million dollars, respectively.

So Pyong-su, a research economist at the Bank of Korea, predicted a current account surplus of up to 1 billion dollars this year, saying shipments of light industry goods and exports to advanced countries are emerging from the doldrums.

Increasing inflows of foreign capital on the strength of the economy's growth pace are feared to cause the won to appreciate in the foreign exchange market and this, together with uncertain price movements, makes it hard to make a reasonably accurate prediction for the coming year, he added.

In capital transactions, a surplus of 6,751 million dollars was registered thanks to rises in foreign fund inflows for stock investment, in overseas issues of corporate bonds and other debts and in short-term trade credit.

The central bank's foreign exchange holdings rose 3.11 billion dollars to 20.26 billion dollars last year from 1992.

**\* Article Examines Future of Democratic Party**  
*942C0057A Seoul MAL in Korean Dec 93 pp 36-43*

[By reporter An Yong-pae]

[Text] The controversy over Party President [PP] Yi's "New Line" gives advance notice that, after the regular session of the National Assembly, the Democratic Party [DP] will be plunged into a "hot battle" over the questions of an "early party national convention" and future party direction. Will the DP be victorious in its political agenda linking local-government [Chija], general and presidential elections? Will it succeed in taking office? We did a concentrated analysis of this question through interviews

with the DP's next seven leaders: Yi Ki-taek, Kim Sang-hyon, Kim Won-ki, No Mu-hyon, Yi Pu-yong, Yi Chol and Chong Tae-chol.

Has DP president Yi Ki-taek actually begun full-scale mobilization in preparation the 15th presidential election? There has been no time since the last party national conference in which PP Yi has so captured the interest of the media and public. If one visits the PP Yi camp, one can feel an air of bustling activity somehow different than in the past. As expected, "public relations" concerning PP Yi's image are being carried out more actively than before and the level of the offensive against anti-Yi Ki-taek forces has gone up considerably. This began with Yi's talk with reports on 28 September and his speech before the National Assembly on 27 October. Out of these sessions came statements the media has named the so-called "New Line." It was about this time that he started to organize his own faction, the "Tongil Sanha Hoe." There has been no consistency in the series of statements and actions he has shown. This makes possible the analysis that behind it lies a calculated political foreshadowing in connection with his political agenda.

The spectrum of evaluations of the "New Line" is as varied as the number of factions within the DP. First to attack PP Yi's line, DP Co-President [Choego Uiwon] [CP] Yi Pu-yong asserts:

"If it were only the opinion of another co-president that might be okay, but for the party president to elucidate a new line and announce a party direction, the decision should pass through a process of debate in which many within the party participate. A party president must to collect the opinions of people disagreeing with him. If he makes a decision after listening to the opinions of only a few secretaries, can this be said to be an opinion representative of the party? I don't know. Apart from official meetings as party president with the party leadership or with lawmakers, he might have held one meeting to debate party line and policy. In a situation like this, he suddenly comes out calling this the new line. It's difficult to understand."

Some are drawing attention by presenting their opinion that "joint responsibility" for this lies with the media also. CP No Mu-hyon interprets, "It doesn't appear that the new line was decided upon after systematic study. It is essentially an exaggerated expression used of a speech and a few statements by PP Yi. (The media) created this name because it is material for new articles." The sentiments of non-mainstream lawmaker Kim Sang-hyon are more cynical. "I don't know what the New Line of PP Yi is. His line is constantly changing. It may be more accurate to say he has no policy line. The expression that the old line was the liquidation of the past and the new line is heading toward the future is not even worth debate. Can there be a future-directed blueprint without a settlement of past issues?"

On the other hand, PP Yi's defense is not easily refuted.

"In their speeches, successive political party presidents have stressed politics, economics, security, and society, in that order. In my speech, however, I gave more time to, and put greater stress on economic issues, rather than political ones. They seem to have given it the name 'New Line' because they think it a different perspective than in the past. I'm proud that the party set up this future-oriented policy line one step ahead of the government and ruling party. For example, after I finished my address to the National Assembly, many of my close friends said: The 21st century and the future are the exclusive property of the government and ruling party. What are they going to do if you occupy them first? But this doesn't mean I'm going to be lax about settling the problems of the past. It's my philosophy that, without it, there can be no reform either. I'm merely suggesting that in our agenda, we work on them both simultaneously."

That there cannot but be sharp differences in "interpretation" over one policy line clearly shows us one aspect of the DP's problems. Anyway, whether the "controversy" caused by PP Yi is a clever move resulting from a changed heart or a bad move made after a long time spent in thought, it appears that judgment on it will be made after the regular session of the National Assembly with the evaluation of the DP's parliamentary activities. The "New Line" controversy and questions about PP Yi Ki-taek's leadership ability are related to each other, like two sides of a coin. The give and take is functioning to elevate the whole controversy, dragging this question of leadership into the arena of full-scale criticism. Most questioned PP Yi aggressively. "There is a lot of criticism that, as the party president, he is only able to exercise one-ninth of the leadership."

PP Yi's answer was also unexpectedly aggressive.

"The talk that I'm only exercising one-ninth of the leadership is correct. That's the way the party constitution sets things up. According to the party constitutional system, I represent the party as one of nine representatives. I've lead the various meetings smoothly in these circumstances, without breaking any dishes. Does it make any sense to say that I have no leadership ability? I'm leading the way both in reform and in settling the issues of the past. In the struggle against the ruling party too I'm doing as much as anyone else. Is there any other opposition figure who severely criticizes the Kim Yong-sam government, both in public and in private, as much as I do? Personally, I don't think it's right for me, the party president, to stand out so vehemently. It bothers me that I'm leading like this. Shouldn't the co-presidents of the party leadership aggressively lead for me? Shouldn't the party president be the last card played?"

There are many holding the opposite opinion. "I don't believe this is a result of the group leadership system," said Rep. Yi Chol, diagnosing the problem, "It's because most of those in the leadership are hastily taking care of their own interests." CP Yi Pu-yong's attitude is a little more serious. "I think the limits of PP Yi's leadership ability were seen a lot in the regular session of the

National Assembly. I figured that if his leadership was displayed in the regular session of the National Assembly, the most important item on the political agenda, then he would have no problem for the remainder of his term. Recently, however, it is my honest feeling to doubt whether during the regular session of the National Assembly we can effectively make it through the complex political situations with PP Yi's leadership ability."

There are also those holding reserved positions. Rep. Chong Tae-chol thinks, "For an evaluation of his leadership ability, we need to give him a one-year grace period." However, "There do seem to be problems with the nine-man group leadership system and with PP Yi's leadership ability, such as the loss of timing for a decision on party policy because party policy is being changed all the time," he added cautiously. Some insist that consideration must be given for the historical nature of the DP. "Some of what is being said is not entirely unfair. Criticism is deserved on things such as the reshuffling of party officials and his inability to return the party to normal after the national convention," says CP Kim Won-ki, acknowledging a leadership problem. He added, however, that "there is one thing to be considered: in the past, there was the charismatic authority of former party president Kim Tae-chung, in which all power was concentrated. When he suddenly retired, this changed into a system of group leadership. Side effects are occurring in a situation in which this system has been unable to become fully established."

Regardless of whether questions are raised concerning PP Yi's leadership, most feel that there must be change in the present leadership system. Opinions differ, however, on whether it should be a group leadership system or a system of sole leadership by one man. CP No Mu-hyon: "We have to go to a single leadership system. The transitional period is now past. If we get a single leadership system, the number of co-presidents won't be important." He insists that if the group leadership system is maintained, its number must not be reduced below the seven members stipulated by the party constitution. This is because he believes that if it is changed to have five members, even only three of them could form against the others, so if the desire is there it would be easier to achieve illicit alliances. CP Chong Tae-chol thinks, "Even a single leadership system is okay." Only, in this event, "the party president definitely must have the capacity to assemble the party's divided, complex and diverse factions."

There are also many who prefer a group leadership system somewhat different from the present one. CP Yi Pu-yong: "Since we have to go through several elections, a single leadership system with group characteristics is desirable, giving more authority to the party president while reducing the number of those in the supreme, decision-making structure." "Because the system is too diffuse and complex, the number of co-presidents needs to be reduced," says CP Kim Won-ki, "But, as yet, a group leadership system is still desirable." It is only that

the party president must demonstrate more leadership, he says. Rep. Kim Sang-hyon also prefers a group leadership system. "Although a single leadership system has its strong points, without leadership ability it will be just the same. If the party moves in a uniform, undemocratic way, it could actually become inflexible. In the case of a single leadership system, because of the practice of appointing a vice president in particular, in the event the president has no leadership ability, there is a high probability that he would only appoint someone from his own faction, causing even greater problems. In that case, the party could even be broken up." PP Yi Ki-taek and Rep. Yi Chol hold reserved positions, saying that the two systems both have good and bad points.

There are presently various issues disputed within the DP, but the "hot potato" into which all confrontation is condensed is, as expected, when the next party national convention will be held. The national convention is the place where all factions within the party stake their survival, hoping to provide a candidate for the next presidential election or hoping to make use of the opportunity to increase their influence. The question of when it will be held cannot help but be fluid because it is linked to the local-government agenda and other events scheduled to be implemented next year. Because the "calculations" of each faction change according to the time of the convention, they are conducting unseen preparations for a secret struggle over the selection of the time. Of interest here is the fact that the non-mainstream group challenging the party presidency is actually less interested in an early national convention.

Defeated by a narrow margin in this challenge for the party presidency during the last national convention, Rep. Kim Sang-hyon says, "I have no intention to demand that the national convention be convened early. If in the election-law negotiation process we come to an agreement, so that local government can be implemented after May, 1995, there won't be any big problems. I bring up the problem of Yi's leadership ability, but this is a call to amend the party line. I'm not saying that we must immediately change the 2-year term party president. I think it would be best to hold the party national convention normally, in 1995." However, that does not mean that he is unconditionally opposed to an early national convention. It is undesirable to go beyond reason in opposing it, he says.

CP Chong Tae-chol opposes this as a general rule. However, "If all agree to the need to prevent a situation in which we would be faced with local-government elections with an ill-equipped party, actually divided since it hasn't been long since the last national convention, we could hold an early national convention unrelated to the issue of the party leadership," he says. "I understand the situation within the party, but I don't agree with an immediate opening of an early convention due to interests limited to internal party problems," says CP Kim Won-ki. Because the public must be convinced that "those actions are appropriate, given the circumstances," "It seems that we'll have to pass the first half of

next year to know what we're going to do about the question of an early national convention," he adds.

On the other hand, controlling the party leadership, PP Yi actually shows a relaxed attitude. "Originally, the next party national convention is, because of my term of office, supposed to open in May, 1995. To effectively prepare for the local-government elections, we must put the party organization in order at least five to six months beforehand. There is talk in the government and ruling party that the local-government elections will be held in January or February of 1995, but, anyway, if it's of help to the party, there is no need to withhold support for proposals to hold the national convention during the latter half of next year. Just before next year's regular session of the National Assembly would be good too."

CP Yi Pu-yong hopes more aggressively for an early national convention. "Objective conditions are driving this, unrelated to anyone's intentions. There is no way we can carry out local-government elections with this sort of leadership system. Interlocked with the Democratic Liberal Party's [DLP] next national convention, local-government elections, etc., I feel that the question of reorganizing the party leadership after the regular session of the National Assembly is unavoidable."

CP No Mu-hyon explains the situation within the party, thus: "Because it is not a question of only dynamic relationships within the party, we must be careful about an early opening of the national convention. This is because we must do an integrated study of the issue, including changes in the ruling party, the economic situation and the DP's public image. At least, a feeling held in common by both mainstream and non-mainstream groups is that we must not do anything that might ruin the party's image or might cause the party damage because of its leadership." Many aspects of this consensus, however, are due to non-mainstream efforts to prudently avoid exposure to accusations of just carrying on an in-house fight to gain the party presidency.

If the DP is going to go for an early national convention, then it will have to be held before or after next year's regular session of the National Assembly. Regardless, it will have no choice but to enter into a national-convention phase next year. In connection with this, it is as yet difficult to predict what form will be taken by the complex alliances for or against the main group. "What's important in the party national convention is influence and popularity. Unlike the DLP, in which President Kim Yong-sam controls the territory held by each faction, in the DP the indiscriminate acquisition of influence is more important than anything else," according to the analysis of one young lawmaker.

"Presently, the KT (PP Yi Ki-taek) and DJ (Kim Tae-chung) alliance makes up over 40 percent of the party, securing close to 50 percent of the 'influence.' For now, the mid-liners and non-mainstreamers may make up over 50 percent, but if the KT-DJ alliance can draw in only a part of these, the competition is over. For

example, all that remains is the question of partnership: Will the mainstream alliance get CP Kim Won-ki's camp or will it get the reform group? The posture of the mainstream is reserved, however, because there is no need for it to decide on a partner now, making many enemies early. The various factions within the party are adopting wait-and-see postures, still not drawing clear battle lines, because they know too well the fact that if they fail here, they will experience great difficulty in securing a share of influence within the party."

This analysis is convincing only if one accepts the premise that the alliance between PP Yi and Tonggyo-tong [Kim Tae-chung's group] will continue in the future. Let us listen to more of what he has to say. "The KT-DJ alliance is in effect because of joint interests in maintaining the status quo. If this alliance falls apart, there is a high probability it will lead to great confusion and could even end in the party breaking up. Furthermore, if they go with an early national convention, it will naturally be held before next September, because they cannot hold a party national convention while the regular session of the National Assembly is being held. Then, it will immediately follow the close of this session of the National Assembly. Another partnership is unlikely to be achieved during that period of time."

However, there are many who view the alliance between the Yi camp and Tonggyo-tong as a temporary structure, soon to be cleared away. Having a particularly close relationship since the previous generation with former party president Kim Tae-chung, CP Chong Tae-chol says, "I personally heard it directly, on several occasions," that, "[Kim Tae-chung's] relationship with PP Yi is his keeping a promise to help him for about a year," and, "Concerning the party candidate for the next presidential election, his thought is that the most capable person will win." CPs No Mu-hyon and Kim Won-ki have similar thoughts on this. "This is because his apparent backing of PP Yi does not mean that his relationship with those he previously supported has suddenly become shallow," according to the interpretation of CP Kim Won-ki. Also, "To interpret with fixed concepts each action of those [Kim Tae-chung] had normally been close to, saying that they do what they do because a button was pressed in Tonggyo-tong, is too much of an exaggeration," he points out. If their views are correct, then we cannot hastily judge the balance power within the party in a fixed way. Also, then, the situation is inevitably fluid.

Concerning yet another variable, rumors of a return to politics by former party president Kim Tae-chung, responses are generally negative, although there are differences in nuance. The words of Yi Ki-taek: "Shouldn't we believe the words of Kim Tae-chung himself? Aren't we in a third-person position? Believing is a virtue." CP No Mu-hyon: "I believe this taking someone who said they were quitting politics and, without any grounds to do so, calling him a liar and making up various things about him is no more and no less than a plot by people trying to make the DP appear

to be a regional party with no life of its own." One lawmaker close to PP Yi asserts, "As for this talk about DJ returning to the front lines of politics, an attempt at making the image stick that the DP is still DJ's party, although the party president is now KT, leaves one with the strong impression that it is for preventing the desertion of DLP supporters, particularly the middle class, and those from the Taegu and North Kyongsang Province regions."

Concerning the opposition's chances of taking office during the 15th presidential election, many stress that most external factors provide considerably good conditions for this. It will not be easy for the Kim Yong-sam administration to resolve the economic crisis and the presidential-candidate "cards" capable of being played by the DLP are not too powerful, it is judged. Many argue, however, that to make the most of this good opportunity, there must first be "radical reform" within the DP. "We must have no more people, as at present, with declining public support and who, too concerned over the shape of things in the party, abandon their own districts. We must no longer put out ridiculous candidates in some districts, because of factional interests, who then loose, as in the recent special election. For the overall development of the party, we need fundamental reform and a reshuffling of personnel," says Rep. Yi Chol. One co-president even confessed, "A full-scale reshuffling of the chairmen of district chapters is needed for the reform of the DP. But because if this were elucidated, it would mean the end of vote management in the party national convention, it's difficult to openly talk about it."

It is safe to say that the next local-government elections, general election, and presidential election are all one political agenda. This is because the results of each election are predicted to have a large, in some cases decisive influence on the next election. Rep. Chong Tae-chol gives this prescription. "Beginning now, we need to select candidates in preparation for the election of local-government leaders [tanchejang songgo] and through competition to highlight the public images of at least the candidates for leader of large-area local governments [kwangyok chachidanchejang]. The painful experience of the last election, for which we had no good candidates, must not be repeated. Together with the Honam region, we must win at least in Seoul, Kyonggi Province and Incheon, be evenly matched in Chungchong Province and Taejon, and publicize in Kangwon Province, North Kyongsang Province and Taegu, if we are going win in the general and presidential elections."

The runners to take part in the relay race, the grand finale to take place in 1997 are now catching their breath. It is still uncertain who will run the base line as a representative contestant for the DP. Only in the first heat, the next party national convention will his profile slowly begin to appear. After the close of the regular session of the National Assembly, each team will be looking to those around them and will enter on an all-out quest for candidate competitors to participate in the

preliminaries, a competition surpassing that of the college entrance exams. One thing is clear, however. The circumstances have now changed. Just as the conglomerates are shouting management reform in order to survive, the DP must be successful in its reform of opposition political culture in order to enjoy the thrill of gaining the pennant of victory in the end. The DP on the night before the big meet. As if to forecast the arrival of a storm, the waves are gradually beginning to rise on its quite waters.

#### Yi Ki-taek Interview

##### Criticism for Lack of Leadership Ability Ridiculous

[Interviewer] Many questions are being asked about your leadership ability both inside and outside the party.

[Yi] People are too often saying I lack leadership ability. I can't accept this. There are no perfect politicians. I too have faults. About this, however, I think it is a problem of the whole party rather than my own problem. To be blunt, if I had no leadership ability, how could I have been student committee chairman in high school and college during my school days? Selected as a member of the National Assembly at 29, how could I have become secretary general at 39, even though there capable seniors above me, and vice president of the party at 42? In politics, you have to watch your timing. Just as you can accelerate if needed, you've got to have flexibility in dealing with things. It's ridiculous to say you lack leadership ability because you are a little late.

[Interviewer] They say you have no general principles in your management of the party.

[Yi] I made three promises as I became party president. I said that I would make the DP a democratic party, a science party and a policy party. The DP has been so democratically managed that lawmakers directly selected the floor leader, a field-army commander. We made the party scientific by, for example, managing it according to budget accounting principles. During the last parliamentary inspections, in our handling of policy inspections we so established our position as a policy party that there are no dissenting opinions on this. A party president must take responsibility for bad results, but shouldn't the credit for these desirable changes also be given to him? They only question my leadership ability with no mention of this. I have no choice but to view this as a coin toss, an argument just for argument's sake, because I'm leading the way with no other political defects.

[Interviewer] It is said that former party president Kim Tae-chung's influence on the DP is still too great and that one of your greatest bases of support is the Tonggyo-tong faction.

[Yi] It is a fact that in actuality, former PP Kim Tae-chung plays the role of a fence of the DP and has enormous influence in the party. They ask whether the DP isn't too dependent on him. Since he is to me a senior

opposition politician and a political leader whose influence is acknowledged worldwide, isn't it natural that I respect and not neglect his opinions? And I think former PP Kim's position is neutral. I have a good relationship with the Tonggyo-tong faction because I have had deep ties with CP's Kwon No-kap, Han Kwang-ok and others, because we are close and have worked together for a long time and because we achieve easy harmony on problems of running the party and National Assembly.

#### No Mu-hyon Interview

##### Advocating Leadership by "Next Generation of Runners"

[Interviewer] You introduced the "Next Generation Runner Debate."

[No] It's saying that it would be desirable for CPs Chong Tae-chol, Yi Pu-yong and the others, with PP Yi, to hold a competitive selection in the great battle to take place during the party national convention. The only large group within the party capable of taking PP Yi is the Honam faction. The DP must first of all come up with a plan capable of overcoming the idea that it is a "Honam party." Also, to create the image of a party capable of producing a candidate much more novel than Rep. Pak Chan-jong, regardless of people's positions for or against the party leadership, discussion of the next generation of leaders cannot help but come up in the next party national convention. In the battle between PP Yi and the next-generation candidates, the public will begin to see a new DP image. A "color confrontation, rather than regional confrontation" will be seen as a fresh image by the public. We must carry out the local-government, general and presidential elections in this context if we are to have a chance of winning.

[Interviewer] Concretely, who do you support?

[No] I'm helping CP Yi Pu-yong.

[Interviewer] What will be your role in the future political agenda?

[No] If there is competitive selection in the party national convention, no middle way will exist. Some talk about roles divided among three persons. I don't have a role. You can't call supporting someone else a role, right? I have work to do, but no position.

[Interviewer] In connection with CP Cho Se-hyong becoming director of the Local Government Working-Level Research Center [Chibang Chachi Silmu Yon-guso], many understand this to be not unrelated to the future political composition.

[No] This was done out of an intention to improve the image of the research center and get actual help, while excluding the tendency to view research centers as means for individual political maneuvering. It has nothing to do with political preparations.

#### Yi Pu-yong Interview

### DP in Need of Reform Groups

[Interviewer] You are openly putting the brakes on PP Yi's policy line.

[Yi] Taking the long view, we must gain tangible results in, for example, changing or abolishing immoral laws, for there to be less of a burden on the DP. How will we handle public criticism of the DP if we end up only playing the best man in this? Even though we get some criticism from the conservative media right away, we need to highlight disputed points of the National Security Law, Agency for National Security Planning Law, Communications Secrecy Protection Law, etc. PP Yi's new line avoids the formation of issues to dispute. We need to highlight points of dispute and secure these, if for nothing else than as important assets for gaining support for the DP and for preparing for the local-government elections. A clear, strong tone in the DP would also for the benefit of PP Yi himself. This is because, rather than coming undone at accusations of insubstantial leadership, to gain tangible results for securing democratization, liberalization and a foundation for unification would be to take on the form of a genuine, 21st-century leader.

[Interviewer] There are also those who view with misgivings the image of reform groups within the party.

[Yi] I have determined not to hold dual membership in another faction while belonging to a reform group. I plan to participate in a more organized way in party-line-related discussion groups in the future. This must not happen, and probably won't, but even people who ridicule and are unhappy with reform groups will need them in the DP to get themselves elected in the next elections. Isn't it difficult to imagine a DP without reform groups?

### Yi Chol Interview

#### Make All Party Management Public

[Interviewer] What is your reason for saying the party has no principles?

[Yi] Official meetings such as the party executive committee and party general meetings have almost become nominal. There are even times when, in the case of the executive committee, meetings are not held because of the party president's personal schedule. The party platform has to be decided in the party executive committee. But only the co-presidents' council [choegouiwon hoeui] is held; conflicting opinions are processed and spit out without being made into conclusions. In the selection of party officials, etc., they are only concerned with dividing the spoils in the next convention, thus exposing the chaos of the party. As a result, among party lawmakers and party members, there is almost no consent to party decisions or mood of confidence in the future.

[Interviewer] Could you point out some concrete problems which have appeared?

[Yi] A representative example would be the selection of party officials after the party national convention. This should have been done fairly, but after being put off for five or six months and selection principles being reversed several times, it ended in an unprecedented dividing of the spoils contrary to the party constitution and regulations and even the rules of the personnel selection committee. Completely unknown figures whose past it is impossible to know suddenly occupied important positions. There was even a case in which body guards were placed in positions requiring special expertise. When I protested this, PP Yi responded, "Doesn't someone have to guard documents and protect offices?" While implementing the budget, some of the leadership pay not a cent in party fees. Also, with personal interests involved, important districts and the position of standing committee chairman go to totally unqualified people. In short, things are happening which go beyond common sense. In the future, all aspects of party management will have to be made public: financial problems, the party-platform decision process, the deliberation process of the Chogang [no Chinese characters were provided in the text so I was unable to determine the correct English translation] special committee, etc.

### Chong Tae-chol Interview

#### More To Gain Than Lose From an "Opposition Merger"

[Interviewer] There is strong opposition to an "opposition merger."

[Chong] The opposition must band together in an anti-Kim Yong-sam line. Absorption merger, Hosokawa-style merger, whatever its form, it would be better to unite, than not to unite. This is to say that in order to win in our political agenda headed toward the presidential election, our fundamental principle is that we must unite, to include everyone from the opposition lawmakers to those out of office. If this is done on the premise of mutual concession, substantial compromise is possible. I know that there is opposition to this composition within the party, but it will be difficult to take office in the next presidential election if we cannot overcome the confusion in setting up an opposition candidate. I also meet personally with Pak Chan-chong, Kim Tong-kil, Yi Chong-chan and others. Although some won't tell their position on this, basically, they want to join the DP.

[Interviewer] Some insist that it would be best to quickly select a candidate to run in the presidential election.

[Chong] There is a greater probability that making our candidate visible now will have adverse effects. It's desirable that he come to the fore on his own through the competitive process after the party national convention.

[Interviewer] Are you thinking of running in the next election?

[Chong] There has been no change in my intention to take a shot at the presidential election. But for this, you have to be chosen by the people and by heaven, and there has

to be a possibility of winning. To be honest, who comes out of the DLP is also important.

[Interviewer] How do you view the idea of separating the party presidency and presidential candidacy?

[Chong] As a general rule, the party presidency and presidential candidacy must go together for their strength to be amplified. This is a natural phenomenon, but, there's nothing wrong with dividing roles if it is warranted by conditions at that time.

#### Kim Wong-ki Interview

##### Little Possibility of Reform in Political Sector

[Interviewer] What do you think of the "Three-Way Role-Division Debate"?

[Kim] It seems to begin in the critical mindset that there has to be new leadership. With only one (of either established politicians or those out of office), we are unlikely to gain public support. To go in a reformist direction, but pursue stability in keeping with the current of the times, we have to acquire the support of those with whom we are friendly. I am mentioned along with CPs No Mu-hyon and Yi Pu-yong because, while an established politician, due to my duties I have often played the role of mediator in my contact and cooperation with politicians not in office and been involved in a lot of dialog. What is important here, however, is not who is being discussed, but our strategy for getting in office and the issue of party direction for forging ahead without stagnating.

[Interviewer] How do you view the issue of reorganizing the political sector, about which there has only been a great deal of talk so far.

[Kim] Only looking on the outside, the fact that we cannot go on like this is felt by all in the DLP as well. Just judging from the DLP lawmakers I have contact with, few in the DLP think of it as "my party." Just because President Kim Yong-sam says he wants to create a new situation, as though the prominent behavior of lawmakers is problematic, doesn't mean that it all works out 100 percent as he wants. For example, if the number of active lawmakers were small, it would be difficult for them to execute policy as they should. But it is difficult at present to follow his formula closely. Because politics are variable, an attempt at change will be made, whether it is temporary or gradual. Given the present circumstances, the probability of a reorganization of the political sector with the DP as a partner is not very high. In a government-led reorganization of the political sector, if

DLP lawmakers consider possible gains and losses when it has gone in the ruling party's direction, few of them will judge there to be much actually to be gained from it.

#### Kim Sang-hyon Interview

##### Someone Should Run in Kim Yong-sam's District

[Interviewer] What political culture must the DP improve?

[Kim] To prevent the weakening of district chapters and open a way for fresh personalities to participate, passing through a vote in which over 300 representatives participate, the total number of members of the National Assembly and candidates for local government must gradually increase. Things are difficult with the present regulations calling for over 50 persons. Also, the list of representatives must be made public at least ten days ahead of time and candidates must be given an opportunity to contact them. Taking as an example the experience of the last party national convention, representatives came up unknown to even the deputy chairmen and head officials and several hundred letters sent out to representatives were returned, even the district chapters did not know their addresses.

[Interviewer] Is the "Shared Roles Debate" still in effect?

[Kim] Inasmuch as no opposition party has ever gained office through a direct election, democratic forces must take office in the next election at all costs. This idea suggests that the Honam faction play the role of king-maker. The Honam faction takes control of party leadership and a non-Honam faction provides the presidential candidate. Anyway, I'm saying that I won't break up things in order to become president. We can also put forward fresh a personality as presidential candidate. If I become party president, I have a strategy and plan for winning in the next presidential election. For example, the party president chosen in the next national convention would run in President Kim Yong-sam's Pusan district. Whether or not he wins, he must get publicity. Because we must win in the local-government and general elections to be victorious in the presidential election, the party president must lead the way, bearing the cross and showing the public a responsible posture. Even if the party president, one man, loses, it could be a good opportunity for stirring up a DP wind.

[Interviewer] Who do you think of as possible next-generation leaders?

[Kim] We can count on Chong Tae-chol, Yi Pu-yong, and Yi Chol.

**Brunei, Malaysia & Singapore**

**Malaysia**

**Radio on NATO Response, Serb Stance in Bosnia**

*BK0103104994 Kuala Lumpur Voice of Malaysia in English 0800 GMT 1 Mar 94*

[Station commentary]

[Text] Millions of ordinary people the world over have reacted with approval towards the NATO response to the latest Serbian attacks. It had become only too obvious that Serbia had become both arrogant and complacent. Months of a varied conduct perpetrated against Bosnian Muslims had gone unchecked. In fact, many were becoming quite cynical of the U.S. because of its slow reactions to Serbian aggressions.

Malaysia was among the first group of nations that broke off diplomatic links with Serbia. At the same time, the Malaysian community has been providing both moral and material support for the harassed Bosnians. Now a unit of the Malaysian armed forces is with the UN Protection Force in Bosnia. It is, therefore, not surprising that all factions of the Malaysian community have voiced full support for the action taken by the Atlantic alliance.

If anything, the feeling is that this type of retaliation with military force should have been launched much earlier. The Serbs have only themselves to blame if the fighting escalates. Their horrendous ethnic-cleansing policy is nothing less than genocide. It is totally unprecedented in modern times. A small religious minority was singled out. The Bosnian Muslims have had to cope with the trauma of homelessness, starvation, and mass rape. The situation has been so bad that a special tribunal was set up to try the war crimes. A Malaysian judge is a member of the tribunal.

The NATO shooting of the Serbs' planes represents a new stage in the Bosnian crisis. It should cause the Serbs in Belgrade and outside it to face reality. To try to force a solution through military means is going to be counter-productive. Everyone knows that the political situation in the former Yugoslavia is very messy and complicated. There are various issues to be settled. They are not unique to Yugoslavia.

Many multi-ethnic nations have been able to work out reasonable solutions for their internal governments. Wherever the give-and-take spirit has been prominent, a stable order has emerged. What the Serb leaders did was to grab as much territory as possible forcibly. They have so far only paid lip service to negotiations. Serbian propaganda has not hesitated to claim that the planes shot down by the NATO aircraft were somebody else's. The world will know how much credibility to attach to this story.

The UN troops serving under difficult conditions in Bosnia will be greatly encouraged by the use of air power. For thousands of Bosnian Muslims, too, this action will be a great morale booster. Everyone hopes that the Serb leadership will draw the obvious conclusion. No one wants to see an escalation of the fighting. The Serbs must accept peaceful solutions for all problems.

**Troops Get Cold-Weather Training in Pakistan**

*BK2702104394 Kuala Lumpur Voice of Malaysia in English 0800 GMT 27 Feb 94*

[Text] Malaysian commandos are being trained in mountain and cold weather warfare in Pakistan in preparation for future United Nations operations in such a climate. Defense Minister Datuk Sri Najib Tun Razak said the training is in preparation for future missions in Bosnia-Herzegovina where there are now 1,500 Malaysian troops serving with the UN Protection Forces, UNPROFOR. Currently, about 30 Special Services Regiment soldiers are undergoing such training in Pakistan. He said this to reporters after meeting with Pakistan's defense minister, Aftab Shaban Mirani, in Kuala Lumpur.

**Foreign Minister Condemns Hebron Massacre**

*BK0103105194 Kuala Lumpur NEW SUNDAY TIMES in English 27 Feb 94 p 5*

[By Tengku Sariffuddin]

[Excerpt] Kuala Lumpur, Sat. [26 February]—Malaysia today condemned the massacre of Palestinians at the al-Haram al-Ibrahim mosque in Hebron yesterday in which dozens were killed after a Jewish gunman opened fire on worshippers performing prayers. Foreign Minister Datuk Abdullah Ahmad Badawi said Malaysia was deeply saddened by the incident which occurred in a holy place while Muslims were observing the fasting month.

He said Israel could not escape responsibility for the dawn attack which was the biggest single killing of Arabs since Israel occupied the West Bank and Gaza Strip in 1967. The massacre reflected the gravity of the situation in the occupied territories and the urgent need for Israel to change its policies and practices for the areas. Israeli authorities had to adhere to international obligations by respecting the rights of the Palestinians and its holy place, he said.

"Those responsible for the massacre must be made accountable and the entire incident should not be dismissed as the action of an alleged mad man," he said in a statement. He said Malaysia wanted the international community, in particular the United Nations to provide effective protection to the Palestinians in the occupied territories. [passage omitted]

**Minister on Telecommunications Development Plans**

*BK2802152794 Kuala Lumpur BERNAMA in English  
0828 GMT 28 Feb 94*

[Excerpts] Kuala Lumpur, Feb 28 (OANA/BERNAMA)—Malaysia will spend RM [Malaysian ringgit] 16.2 billion (RM2.7 is equivalent to U.S.\$1) in the next five years to develop its telecommunications industry to make it not only the hub of telecommunication activities in the region but also a strong telecommunication equipment exporter in the international market. Energy, Telecommunications and Post Minister S. Samy Vellu said Monday that as an emerging economy, the Malaysian telecommunication industry offers huge potential of investments, especially for highly sophisticated and imported equipment.

Malaysia's national telecommunication carrier, Telekom Malaysia Berhad [Limited], he said, would invest RM670 million for its local network and RM160 million for its international network. It would also fork out RM500 million for switching equipment, RM550 million for transmission and RM1.7 billion for rural telecommunications he added. [passage omitted]

The minister said private telecommunication companies like the ART 900 operator would invest RM800 million to provide high quality services while Time Telecom is expected to spend RM2 billion to build its Telecommunications network. Malaysia currently has two major local manufacturers of telecommunication equipment, he said.

In view of strong growth in demand for telecommunication services, we are encouraging joint-venture projects with multinational manufacturers to produce or assemble telecommunication equipment locally. Malaysia is strategically placed to play this role, he said.

On the telecommunication networks and services in Malaysia, Samy Vellu said that for the period 1991 to 1995, the government had targetted more than 100 per cent increase in the number of telephone subscribers to about 3.4 million.

In the subsequent five-year period (1995-2000), we hope to push our basic telephone to 7.8 million (subscribers), an increase by more than 4.4 million over the Sixth Malaysia Plan period, he added.

Samy Vellu also offered the use of Malaysia's first satellite, Measat 1, to other Asia-Pacific countries on a mutually beneficial commercial basis once it is launched into orbit in 1995. He said Measat would provide economic and commercial benefits to users for both fixed and mobile telecommunication services such as telephone, telex, facsimile, data, video conferencing and television broadcasting.

**Muslim Leader Joins PBS After Election**

*BK2502134494 Kuala Lumpur NEW STRAITS TIMES  
in English 24 Feb 94 pp 1, 4*

[By Joniston Bangkuai]

[Excerpts] Kota Kinabalu, Wed.—Former Sabah Affairs Minister Tun Datuk Mustapha Datuk Harun today joined the Parti Bersatu Sabah [PBS or Sabah United Party] and declared that efforts to pursue the registration of USNO Baru [New United Sabah National Organization] would be abandoned.

Mustapha's son, Datuk Amirkahar, who is former president of USNO, Datuk Salim Bacho (former deputy president), Pitting Ali, and Said Senang (former vice presidents), who had joined PBS "temporarily" to contest in the recent state election, confirmed they are staying on in the party. Another USNO vice-president Ramli Wen and five former Supreme Council members also joined the PBS with Mustapha.

Mustapha was welcomed into the PBS by its president Datuk Sri Joseph Pairin Kitingan, his once bitter political rival, at a simple ceremony at Sri Gaya, Pairin's official residence. The 74-year-old founder of the deregistered USNO said he decided to join the PBS because he was now convinced that only the PBS could protect the interests and rights of the people in the state. [passage omitted]

In January this year, Mustapha resigned from his federal cabinet post and as an UMNO member, citing his deteriorating health and failure to unite the people under UMNO. The veteran politician's decision to join the PBS did not come as a surprise as he had thrown his weight behind the party in the recently concluded State election. [passage omitted]

**Singapore****Lee Kuan Yew: 'Guanxi' Helps in PRC Deals**

*BK2502140694 Singapore BUSINESS TIMES in  
English 25 Feb 94 p 1*

[Text] Singapore—The Singapore government has assured foreign companies wishing to invest in the Singapore-styled Suzhou township that the rules which have been agreed upon with the Chinese will not change. "We can guarantee that the agreement we have reached with China about Suzhou, and about projects in Shandong (province), will be honoured. That includes projects like the revitalising of state-owned factories," said Senior Minister Lee Kuan Yew in an interview with the Beijing-based correspondent of the German financial and business daily, Handelsblatt.

A transcript of the interview, conducted on Feb 19 at the Istana [State Palace] here, was made available to BT [BUSINESS TIMES] yesterday. Safeguarding the interests of foreign companies which ride on the Singapore

connection is one of the ways whereby third parties may benefit from the *guanxi* [personal connections] which Singapore's business community has built up in China. "Singapore will provide the means to a relationship, help in negotiations to reach agreement and to make the agreement work," he said.

Singapore has a role to play to help foreign companies move into China, because China needs investors from the whole world, not just from Hong Kong, Taiwan or the overseas Chinese, said Mr Lee. Unfamiliarity with Chinese culture and language, coupled with the lack of legality in China, has made some investors uncomfortable, which is where Singapore companies with *guanxi* come in.

Mr Lee admitted that although Singapore's agreements with China are on paper, they "are never as clear-cut as we would have with Western countries". Only the broad outlines are laid down, while much is unwritten, unspoken and depends on good faith.

Mr Lee arrived yesterday in Tianjin, only a one-and-a-half-hour drive from Beijing where he will be signing an agreement tomorrow for the so-called "software transfer" from Singapore to China. The government-to-government agreement will allow Singapore to pass on its experience in running a modern city through the development of a 70 sq km township in Suzhou, which is some 90 km from Shanghai.

Mr Lee said one of the changes to the centralised system which today's China has to make, is to unify its tax system. This will address the dichotomy which arises from the fact that while everything is centralised, the provinces collect their own taxes and therefore begin to act independently. China has to change its regulations, and which is more difficult, its mindsets.

Mr Lee said the transformation will take over 20 to 30 years, and will involve some dislocation. By then, growth rates would be between six and eight percent, and between 50 percent and 60 percent of Chinese will live in towns. "That's a different China. The majority of the population will be together, with quick and easy access to real time information. They will have to evolve a system to govern this different China," said Mr Lee.

#### **Air Force Training Pact Signed With Bangladesh**

*BK2702103394 Singapore Singapore Broadcasting Corporation in English 1100 GMT 26 Feb 94*

[Text] The Republic of Singapore Air Force [RSAF] can now train in Bangladesh. The two countries today signed a memorandum of understanding [MOU] and the implementation of long-term training. Under this, the RSAF is allowed to deploy a number of aircraft at Bangladesh Air Force bases for several months a year.

Mindef [Ministry of Defense] says Singapore welcomes the move by Dhaka. It said the increased interaction between the two air forces will contribute to stronger defense ties.

The MOU was signed in Singapore by the Chief of Air Force Brigadier General Bey Soo Kiang and Air Vice Marshal Altaf Hossain Chowdhury, Chief of Air Staff of the Bangladesh Air Force.

#### **Local Company To Operate Airline in Burma**

*BK2502130094 Singapore BUSINESS TIMES in English 24 Feb 94 p 4*

[Text] A Singapore-registered company will launch a new airline this year to operate mainly within Myanmar [Burma], according to industry sources. Air Mandalay will have its headquarters in Mandalay, operating domestically to Yangon [Rangoon], Pagan and Heho. International sectors Phuket and Chiang Mai in Thailand are also being considered. Air Mandalay will operate two Avions de Transport Regional (ATR) 72-210's. The Franco-Italian twin turboprops capable of carrying up to 72 passengers is also in service with other airlines in Indochina.

The service will be well timed to coincide with the Myanmar government's declared "Year of Tourism" in 1995.

Pilots and technical staff are expected to be expatriates, however cabin crew will be recruited locally. The airline is a subsidiary of Techmat Holdings Pte Ltd which was registered on Nov 6, 1991.

The group has an authorised and paid-up capital of \$30 million [Singapore currency] and \$3.05 million respectively. Turnover for the financial year ended December 1992 was \$614,133, while pre-tax profit was \$1,730. The group's shareholders and directors are Thai, French and Singapore nationals.

#### **Semiconductor Company Signs Four Partners**

*BK2502150094 Singapore BUSINESS TIMES in English 25 Feb 94 p 2*

[By Joseph Rajendran]

[Text] Government-linked Chartered Semiconductor Manufacturing [CSM], which today breaks ground on a US\$660 million (S\$1.05 billion) [Singapore currency] plant at Woodlands, said yesterday it had signed up four joint venture partners. It also said it would spend U.S.\$100 million expanding its existing plant, called Fab 1, at the Science Park.

For the Woodlands factory, the Economic Development Board [EDB] is believed to be one of the partners which will fork out part of U.S.\$200 million which CSM expects to raise for phase one of the project. This will be EDB's second major commitment in the semiconductor

business—it has a 26 percent stake in the U.S. \$330 million Tech Semiconductor project, which is next to the CSM site at Woodlands.

The other three partners in the CSM venture are U.S.-based listed firms—Rockwell International, Brooktree Corp and Actel Corp. CSM, which is part of the Singapore Technologies Ventures stable, will start negotiations with three other partners next month. It expects to rope in up to six partners for the project, called Fab 2. Plans for the plant—which will be Singapore's largest high-tech investment—were announced three months ago.

The Government, having made Singapore the world's largest producer of disk drives, wants semiconductor technology to be the country's strength in the next decade and is leading the way with these projects.

Rockwell, which has been a good customer of Fab 1, designs chips for use in aerospace, missiles and defence-electronics systems. The company, which had 1993 sales of about U.S.\$ 10.8 billion, gets most of its orders from the U.S. government.

Brooktree Corp, which grossed sales of U.S.\$ 111.3 million last year, is involved in Very Large Scale Integrated circuits that solve complex technical problems. It also develops chips for the multimedia industry.

Actel, with 1993 sales of about U.S.\$59.6 million, designs circuits for computers, telecom products and military equipment.

CSM's facility systems director Ang Tang Yong said yesterday that the three partners will be "guaranteed manufacturing capacity based on equity participation. They will also be given preferential pricing."

## Cambodia

### Government Reportedly Retreats From Anlung Veng

*BK0103104494 Hong Kong AFP in English 1026 GMT 1 Mar 94*

[Excerpts] PHNOM PENH, March 1 (AFP)—Khmer Rouge guerrillas forced Cambodian troops to retreat from the major rebel base in northern Cambodia they captured early this month, but the military officially denied that the base had again fallen into rebel hands. [passage omitted]

"We strongly deny that the Khmer Rouge recaptured the base. The news...is exaggerated," Cambodian military spokesman General Nhean Manou said. "The Khmer Rouge have shelled us every day with 300 to 400 rounds since February 19 and we have withdrawn some men from the frontlines at Anlung Veng," he said. But another military official, speaking on condition of anonymity, said government troops were under heavy pressure and were forced to withdraw to positions up to 10

kilometers (six miles) to the south and west of the base. The 10-kilometer line is the position where the government troops launched their offensive last August.

Western diplomats said they could not confirm that the Khmer Rouge had taken the base but said it was possible as it was difficult for the government to send supplies to the men stationed in the remote and inhospitable area.

### Radio Demands Repatriation of Vietnamese

*BK2702114394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 26 Feb 94*

[“Article”: “The Presence of Nearly Four Million Vietnamese Settlers in Cambodia Must Not Be Legalized; All Vietnamese Settlers Must Be Gathered in Camps and Sent Back to Vietnam”]

[Text] Puppet Chea Sim, the out-and-out lackey of the Vietnamese communists, will soon go to Hanoi according to a report from a group of National Assembly members. The report added that in this trip to Hanoi, puppet Chea Sim will seek approval for a draft immigration law from the Vietnamese communists before presenting it to the two-headed government and puppet National Assembly for endorsement into law.

It should be recalled that during his visit to Phnom Penh from 16 to 18 February, Vietnamese Foreign Minister Nguyen Manh Cam instructed the two-headed government and his puppets to draft an immigration law to legalize the presence of nearly four million Vietnamese settlers in Cambodia.

The issue of Vietnamese settlers in Cambodia is a national problem linked to the survival of the entire Cambodian nation and people and of every Cambodian and family. Since 1979, Vietnamese settlers kept flowing into Cambodia at will with the permission of the Vietnamese puppet administration to serve as a prop for the hundreds of thousands of Vietnamese aggressor troops.

After the signing of the Paris agreement in October 1991, Vietnamese settlers came to Cambodia through UNTAC [UN Transitional Authority in Cambodia] and all the Vietnamese puppet administrative networks maintained by UNTAC. After the UNTAC-organized elections, more Vietnamese settlers continued to flow into Cambodia through the two-headed government of which ninety-nine percent of the Phnom Penh-based power and 100-percent power in the provinces, districts, communes, and villages are in the hands of the Vietnamese communists' puppet administration.

The issue of Vietnamese settlers must be resolved in accordance with international law, which clearly states the status of foreign settlers entering other countries during a war of aggression, and according to the rules and regulations applied and being applied in various countries, such as Hong Kong and some other countries

in this region. That is, all Vietnamese settlers must be gathered in concentration camps and then repatriated in an orderly manner.

The two-headed government must be held fully responsible for the Cambodian nation, people, and history in approving the presence of Vietnamese settlers in Cambodia, thus enabling them to turn Cambodia into a second Kampuchea Kraom through legal means.

**Co-Prime Ministers Thank Japanese for Aid**  
*BK0103103994 Phnom Penh AKP in English 1003 GMT 1 Mar 94*

[Text] Phnom Penh AKP March 1—There remain in Cambodia two major problems to be settled, according to Cambodian first and second prime ministers, Prince Krompreah Norodom Ranariddh and Samdech Hun Sen.

In a meeting on Friday, 25 February, with Japanese delegations led by Mr. Shozo Azuma, vice minister for foreign affairs, and Mr. Eisei Ito, vice minister for construction who had come here to attend the inaugural ceremony of the Cambodia-Japan Friendship Bridge, the Cambodian prime ministers said although the Royal Government had made a number of concessions the Khmer Rouge were still continuing to resort to their military activities.

"However the royal government is capable and optimistic to solve this problem because Cambodia has got legitimate government, Constitution, National Assembly and political unity among the two biggest ruling parties, and the support from the people," they said. Another problem to be settled is, according to them, the rehabilitation which they said would prevent the return of Khmer Rouge if successfully done.

The Cambodian prime ministers called on the Japanese investors [words indistinct] ventures in Cambodia especially in the agricultural field and in the restoration of hydro-electric station in Prek Thnaot, which, they viewed, are the basic factors for the development in Cambodia.

The Cambodian leaders expressed thanks to the Japanese delegations for having visited Cambodia and attended the inaugural ceremony of the Cambodia-Japan Friendship Bridge built by Japan. The bridge is the vivid proof of good relations of friendship between the two peoples, they said.

They thanked the Japanese Government for having invited them to attend the international conference on the reconstruction of Cambodia (ICORC) to be held in Tokyo in March this year. Japanese Vice Minister for Foreign Affairs Mr. Shozo Azuma, who will preside over the ICORC, pledged to explain to the donor countries to address the basic needs of Cambodia in its rehabilitation.

**Foreign Minister Sirivut To Visit Israel, Egypt**

*BK2802064894 Phnom Penh AKP in French 0413 GMT 28 Feb 94*

[Text] Phnom Penh 28 Feb (AKP)—A delegation led by Prince Kromkhun Norodom Sirivut, deputy prime minister and minister of foreign affairs and international cooperation, will soon pay a visit to Israel and Egypt at the invitations of the two countries' foreign ministers.

This is the first visit by a Cambodian delegation to the two countries since the formation of the Royal Government of Cambodia in September 1993.

**French Help in Administration, Military Fields**

*BK2802065894 Phnom Penh AKP in French 0408 GMT 28 Feb 94*

[Text] Phnom Penh 28 Feb (AKP)—Prince Kromkhun Norodom Sirivut, deputy prime minister and minister of foreign affairs and international cooperation, and Mr. Charlat Pascal, acting charge d'affaires of the French embassy in Cambodia, signed two cooperation agreements in Phnom Penh on 25 February.

The first agreement is on the restoration and reorganization, with France's assistance, of the Phnom Penh Royal Administration School, which has ceased functioning since the interruption of war in the country in 1970. The French side will provide necessary materials to the school and send French professors to help restart its operation.

The second accord concerns the cooperation between the two governments in the military field, including the presence of two French experts in insuring the country's security. Moreover, France will also grant scholarships to Cambodian military personnel and supply the Cambodian Army with materiel.

**Adoption of French Accounting System Criticized**

*BK0103105594 Phnom Penh CAMBODIA TIMES in English 20-26 Feb 94 p 7*

[Excerpts] Phnom Penh—The adoption of a French accounting system here will be a disincentive to much needed foreign investment and an unnecessary administrative burden for local companies, local businessmen have alleged, according to the Government news agency AKP. "It is a waste and totally unnecessary. No trading company here is going to present their accounts like this," it quoted a businessman as saying.

The Finance Ministry has recently announced that the French system would be the official accounting system to be used by local and foreign companies. Under the former government, there was no centralized tax collection system. [passage omitted]

The main difference between the French and Anglo-international system is the way assets and liabilities are classified and how depreciation is treated, an investment consultant said.

The decision has brought about protest from local companies who claim that their accounts will have to be double-booked in two systems, new software and the retraining of current accounting staff. At the most, eight to 10 companies, which are all French, will benefit from this system while the others will suffer. A businessman has predicted widespread chaos in the local business community as Singapore, Taiwanese and Hong Kong-based companies, the biggest investors here, are only familiar with the Anglo international accounting system. [passage omitted]

The decision to adopt a French accounting system follows a dispute last year over the decision to retain French as the country's second language. Students had protested against this move at the University of Technology as they claimed that English was being widely accepted here, especially amongst the business community and that English, not French, would benefit them better.

#### **Diplomatic Relations Established With Kazakhstan**

*BK0103063494 Phnom Penh AKP in French 0400 GMT 1 Mar 94*

[Text] Phnom Penh 1 Mar (AKP)—The Kingdom of Cambodia and the Republic of Kazakhstan decided to establish diplomatic relations, according to an agreement reached in New York on 25 February.

This agreement was signed by Prince Sisowath Sirirat and Mr. Akmaral Arystanbekova, ambassadors of the Kingdom of Cambodia and the Republic of Kazakhstan to the United Nations respectively.

The two countries pledged to strengthen cooperation in the economic and cultural fields. Their relations are established on the fundamental basis of mutual respect, territorial integrity, and noninterference in each other's internal affairs as well as on international norms and the UN Charter principles, says the text of the agreement.

#### **Ministry 'Studying' Arbitration for Trade Disputes**

*BK0103095194 Phnom Penh CAMBODIA TIMES in English 20-26 Feb 94 pp 1, 2*

[Article by T. Mohan and Ouk Kimseng: "Arbitration System To Be Established Soon for Trade Disputes"]

[Text] Phnom Penh—The Ministry of Justice is studying the possibility of establishing an arbitration system here to tackle trade and commercial disputes. This is a concerted attempt to give confidence to businesses dealing with trading, especially international businesses and contracts.

Senior Minister Chem Snguon, in a wide ranging exclusive interview with The Cambodia Times, said: "This arbitration court and system must be adopted soon. Concerning the Ministry of Justice, we want only to give confidence to investors and businesses dealing with this country to show that if there is any conflict, they could rely on the local justice. That is why the arbitration system must be adopted very quickly. Contrary to common notion, the courts here in the city have heard several commercial cases pertaining to contracts and international investments and judgement has already been given."

"Our courts are competent to judge all conflicts arising from contractual disputes from commercial courts," said Chem Snguon, who is also the Minister of Justice. "The Ministry of Justice would like to introduce the system of arbitration to hear contractual disputes. In this respect, I would like to study the problems arising from the establishment of such systems elsewhere in neighbouring countries, so that the system when established and enforced here will be coherent and effective," he pointed out.

"In the field of commerce and economics, the Justice Ministry, together with the Ministry of Finance and Trade, is looking into the possibility of adopting the common law system."

Chem added that the judicial field in this country was presently based on the French judicial system. "The Ministry is now studying the common law way of procedures to see how we can borrow some elements and possibilities which could help us solve all the cases more quickly and efficiently."

"We have requested the assistance of UNDP [United Nations Development Program] to provide expertise on the common law system to help improve the system. There has been a court in existence in all the provinces since 1982. There are a total of 21 courts at the provincial level, one Appeals Court, one Supreme Court and one Military Court," Chem said.

"The Ministry of Justice and the judicial system here does not have enough means to face all the cases we receive. Nevertheless, we are striving hard to revive the judicial system to a level which will enable our task (to be carried out) efficiently, quickly and independently. It is the responsibility of the Ministry of Justice to reorganise all judicial systems in this nation to guarantee independence of Cambodian courts, judges, prosecutors and magistrates. The Ministry of Justice must give priority to legal formation and jurisdiction formation to have more judges and prosecutors at all levels and at all areas. We aspire to have between three to five judges per court and two to four prosecutors."

## Indonesia

### Israeli Premier Seeks Jakarta Ties 'Soon'

BK2702133594 Jakarta REPUBLIKA in Indonesian  
15 Feb 94 p 1

[Text] Tel Aviv, REPUBLIKA—Israeli Prime Minister Yitzhaq Rabin has said Israel wants to immediately establish diplomatic relations with Indonesia. He said this when he received four Indonesian journalists, one of whom was Nasir Tamara from REPUBLIKA, at his office in Tel Aviv, Israel last Monday evening. According to Rabin, there has been no official timetable for mutual recognition and diplomatic relations. However, he added that the two nations could first get to know each other before establishing diplomatic relations.

"As Israeli prime minister, I hope that the establishment of diplomatic relations will be realized as soon as possible. However, we know that all this will be a long process and will depend on the Israeli-Palestinian peace process as well," said Rabin.

Rabin believed that "the way to peace between Israel and the Arabs is also through a rapprochement between Israel and the Islamic World. Thus, support from Indonesia as a country which has the largest Islamic population in the world will be very important and crucial." Rabin said that he and President Suharto "agreed to gradually create conditions—business relations, as an example—to pave the way for better relations" when he visited Jakarta some time ago. Rabin once again reiterated that Israel "wants to coexist peacefully with the Palestinians."

While the PLO has recognized the existence of Israel, Israel itself has refused to recognize the existence of Palestine. Khalid Mawardi, head of the Political Department of the Nahdlatul Ulama [Association of Muslim Scholars] Central Executive Committee, regarded the Israeli-PLO agreement signed in Washington last year as an initial step and said the agreement cannot strongly justify the establishment of diplomatic relations between Indonesia and Israel.

According to Khalid, Israel remains a colonizer as long as the Jewish state does not quit all Arab territories—the West Bank, Jerusalem, the Golan Heights, southern Lebanon, and the Gaza Strip—which it occupied during and after the 1967 war.

A similar reaction came from Sumargono, chairman of the Indonesian Committee for Solidarity with the Islamic World. "Israel is an aggressor as long as it continues to occupy Arab territories. As this continues, it would be improper to have diplomatic relations with Israel," he said. According to Sumargono, Indonesian Muslims are not psychologically ready for such relations. "There could be upheavals if this is done. The Muslims are deeply injured over Israel's current brutal acts against the Palestinians."

Mr. Riza Sihbudi, political observer from the Indonesian Institute of Sciences and senior lecturer at the Department of International Relations at the Faculty of Social and Political Sciences of the University of Indonesia, said the establishment of diplomatic relations with Israel is a sensitive issue. "We must be careful. We must truly think about their advantages and disadvantages," said Riza, the author of a book entitled "The Middle East, Islamic World, and American Hegemony."

### \* President on Pancasila Opposition, Constitution

94SE0065A Jakarta ANGKATAN BERSENJATA in Indonesian 24 Jan 94 pp 1, 10

[Text] Tapos (ANGKATAN BERSENJATA)—President Suharto expects ABRI [Indonesian Armed Forces] to be constantly alert to efforts by certain groups who want to replace Pancasila [ideology of the Indonesian state] as the foundation of the state and the philosophy of life of the Indonesian people.

The president expressed this expectation Sunday [23 January] at the Tapos Livestock Center at Bogor, West Java, as he received about 200 TNI-AL [Indonesian Navy] officers attending the "Back to Basics" Program led by KASAL [Navy Chief of Staff] Vice Admiral Tanto Koeswanto. ABRI [Indonesian Armed Forces] Commander General Feisal Tanjung was also present.

"ABRI has never wavered regarding Pancasila and the 1945 Constitution as the foundation of the state and the philosophy of life of the Indonesian people. Pancasila and the 1945 Constitution as the ideology of the Indonesian people are not negotiable. The Sapta Marga [Armed Forces oath], too, says that Pancasila is the principle of the life of the state," Pak Harto [President Suharto] declared.

According to the president, this needs to be remembered always, because in the framework of democracy there are groups that use the issue to dismantle the national consensus that has been achieved, although this consensus has been tested in five general elections.

"Some people are still looking for ways to use other principles that were previously shown to bring no improvements for the people. It is not possible for us to reconstruct those things from the past. Therefore, we must be alert."

The president noted that the people have accepted Pancasila as the sole principle of the life of society, the nation, and the state. This acceptance was made through a long and difficult process, because initially there were many groups in society who rejected it.

The only objective of development based on Pancasila and the 1945 Constitution is the achievement of material and spiritual prosperity, prosperity in this world and the next.

How can we provide for life in this world and the next? There are only two things: material needs and spiritual

needs. "Thus, through this state ideology, we establish programs so that we will live in happiness and prosperity in this world and in the next. People should not think about material things alone, forgetting the spiritual. Neither should people think about spiritual things alone, forgetting the material. Neither is complete. The two things cannot be separated. There will then be those who emphasize the material, while not forgetting spiritual life. There will be those who emphasize the spiritual, but they should not forget the material," Pak Harto declared.

The president also explained the effort through which 10 parties were simplified into only three sociopolitical forces; why ABRI as a sociopolitical force sits in legislative and deliberative bodies; the need for the three political parties; and the fact that the PPP [Development Unity Party], GOLKAR [Functional Group], and the PDI [Indonesian Democratic Party] use Pancasila as their sole basis.

"At that time, I asked whether ABRI was recognized as a sociopolitical force. The reply was that they continued to be recognized as such because of their history. Therefore, I said they must have the same rights as other political forces."

According to the chief of state, the appointment of ABRI members to legislative bodies is not to control votes in those bodies but to act as a provider of dynamics and as stabilizer.

"We do not want to change the 1945 Constitution, although changes are made possible through Article 37 of the Constitution. To make sure that no change takes place in the 1945 Constitution, a third of the MPR [People's Consultative Council] comes from ABRI."

The president said that history shows that the appointment of ABRI as a political force was actually by national consensus. "It was not I who originated it," he said.

According to the president, none of these achievements are the results of an instantaneous act but are products of gradual action.

The president also guaranteed that ABRI will not make Pancasila into a religion or make religion into Pancasila. ABRI will not do such things. It has now been demonstrated that ABRI will not make Pancasila into a religion or make religion into Pancasila. Pancasila is a philosophy of life and is the ideology of the Indonesian people as a pluralistic nation in their life as a state.

The president also warned of efforts to distort the facts of history by claiming that it was Pak Harto who orchestrated the G-30-S/PKI [30 September Movement/Indonesian Communist Party], remembering that Lieutenant Colonel Untung used to be one of his men.

"I have received a book, intended for distribution, entitled *Prima Dosa*, which accuses the present government, saying that I am the one who created the G-30-S/PKI, since Lt. Col. Untung used to be one of my men. They have distorted things," said Pak Harto, laughing.

The book was published by a person who says he has suffered constantly under the New Order, being shoved from place to place. Pak Harto asked that everyone, especially ABRI, be alert to this, since such things continue to go on.

Pak Harto stressed that as a soldier and an ABRI fighter he holds firmly to Sapta Marga and that Sapta Marga will remain the ideology of generations of ABRI who are devoted to the nation and the state.

"I have one ideology as a Sapta Marga soldier. Therefore, I faced everything connected with the beginning of the New Order myself without any exposure to the outside," Pak Harto said firmly.

The president also denied that the Tapos Livestock Center is equipped with all kinds of facilities, such as helipad, golf course, and swimming pool. "It is a fact that there are people who are vigorously discrediting me," the president said. He added that what they call a swimming pool is a storage tank for water for cattle. There is also no palace, and what they call a helipad is not that at all but is only a place for drying coffee.

"Such criticism does not matter, however, for it is merely a challenge to me," Pak Harto said.

#### \* Kalimantan Organizations Disallowing Unions

94SE0063B Jakarta BISNIS INDONESIA in Indonesian 18 Jan 94 p 9

[Text] Most big businesses in South Kalimantan are not allowing the SPSI (All-Indonesia Labor Union) into their companies. In fact, some think that the presence of that organization in their company is a thorn in their side, a BISNIS source reported here.

One businessman said that his company rejected an SPSI PUK (Shop Steward) even though two years ago he stated before the MUSPIDA [Congress of Provincial Heads] that he would help form that labor organization. "The important thing is that we have fulfilled all our obligations and that we have complied with all labor regulations in a proper way," said that businessman, who asked that his name not be mentioned.

According to the latest figures from the South Kalimantan Department of Manpower only 81 of 462 companies in that province have allowed their workers to join that labor organization. "We have repeatedly told them how important it is to have a PUK from the SPSI in a company, but the companies just pay no attention to that suggestion," said one official of the agency.

Syakhrian Sulaiman, Deputy Chairman of the DPD (Provincial Executive Board) of the SPSI verified those statements and expressed his regrets that the business community in this province still does not regard the SPSI as a business partner but rather as a 'bogey-man'.

He said that for no obvious reason 28 large companies have disallowed SPSI PUKs in their companies. In addition, there are also about 30 companies which are not registered with SPSI's DPD. Not having an SPSI PUK in a company can invite labor disputes to surface in the form of strikes or demonstrations which are damaging to both parties. "If there is an SPSI PUK in the company, at the very least the problem can be overcome or it might never occur," affirmed South Kalimantan's SPSI Deputy Chairman.

He said that Law Number 21 of 1954 is not going as well as expected due to the absence of a labor organization in a company. A KKB (Joint Labor Agreement) between employers and employees is there to prevent possible disputes from arising. "That's why HIPs (PANCASILA [Five Principles of the Nation] Industrial Relations), such as those proposed by the government, are not going as well as expected in companies which have no SPSI PUK," said Syakhrian.

Based on figures taken from the Banjarmasin branch of Astek [Workmen's Insurance] Inc, there were 1,010 occupational accidents in 1993 and 951 in the previous year. BUMNs [State-Owned Corporations] under the Department of Manpower paid out 842 million rupiahs in compensation.

The amounts of compensation were: 762 JKK (Occupational Accident Insurance) cases; 179 JHT (Old-age Insurance) cases; and 77 JK (Life Insurance) cases. The main cause of occupational accidents was negligence.

#### **\* Habibie: Nuclear Energy Program To Continue**

94SE0063A Jakarta BISNIS INDONESIA in Indonesian 19 Jan 94 p 6

[Text] The Muria I Nuclear-Powered Electric Generator will continue to be built even though the government has given nuclear energy the lowest priority in national energy planning. Based on studies carried out since the 1970s the Minister of Research and Technology/Chairman of the BPPT [Research and Technology Development Agency] B. J. Habibie stated that it will be difficult for Indonesia to overcome its electricity crisis without incorporating nuclear power.

"Whether we want to or not, it will be difficult for Indonesia to overcome its energy problems without nuclear power. Up to now we haven't known how to do it. But we must be aware that nuclear power has the lowest priority. If there is no other way, we will take that path," he said here yesterday after giving a speech during the program of Choosing National Figures 1993 in the FORUM KEADILAN magazine version. Habibie said this in response to various policy statements made by a

number of national figures about the development of the Muria I Nuclear-Powered Electric Generator.

Habibie said that even though nuclear power has been given the lowest priority, construction will continue on the Muria I Nuclear-Powered Electric Generator project. This will be done, he continued, to get ready to face an electric energy crisis. Preliminary feasibility studies carried out by Newjec Inc (Japan) were completed in December 1993; they concluded that constructing the PLTN in Muria is quite feasible. Further feasibility studies will not be completed until 1997. However, projections are that it will be opened to construction tenders in 1995.

The Muria I Nuclear-Powered Electric Generator will be the first nuclear-based electric generator built in Indonesia; it will have a capacity of 2,600 MW. The results of site studies show that Ujung Lemahabang is in first place, followed by Ujung Grengengan and then by Ujung Watu. These three sites are located on the north shore of the Muria peninsula in Central Java.

Is it necessary to hold a referendum to obtain the agreement of the populace? Habibie said that he is only helping the MPR's [Parliament] mandate by gathering scientific and technological information. His strategic goal is to create job opportunities. "The GBHN [Broad Outlines of the Nation's Direction] demands these job opportunities. But job opportunities need factories and factories need electricity. Some people say no, just build up the tourist industry, build hotels. But hotels also need electricity, you know. So we can't build without electricity," he said.

#### **\* Aerospace Industry To Expand, Needs Funds**

94SE0063C Jakarta BISNIS INDONESIA in Indonesian 13 Jan 94 p 1

[Text] The Nusantara Aircraft Industry (IPTN) needs about 500 billion rupiahs in order to expand its plant in Bandung by 500 hectares. However, making that project a reality is hampered by the problem of procuring land. A BISNIS source at IPTN revealed that the funding would be used to expand the plant area and to procure equipment and general facilities, including employee housing. "Due to growth in the demand for aircraft and in the number of employees the present site is no longer sufficient," he said here yesterday.

However, he believes that making the project a reality will be hampered by the difficulty of finding 500 hectares of land in Bandung. IPTN Inc Director of Planning Yuliswar said that Minister of Research and Technology J. B. Habibie has requested the 500 hectares. As of now, he said, IPTN management has only gotten about 300. He denied that it is difficult to find land because of land speculation. "Procuring land is not a problem. It's true there's a problem of price. The price of land in Bandung is certainly higher."

B.J. Habibie, Managing Director of IPTN Inc, has expressed his concern about increased land speculation. He said that the problem is how to find additional sites for IPTN Inc expansion in Bandung because of speculation. "That's why I'm asking provincial heads to stop it. Speculation clearly hampers investment and economic development," he said at the end of last year.

Even though land speculation throws a shadow over the site problem, Yuliswar is optimistic that it can be solved. The IPTN Inc expansion will occupy an area adjacent to the old site. "This project will be carried out in stages, in line with production of the N-250 aircraft, due to start in 1995," he told BISNIS and REPUBLIKA yesterday.

Plans are for a first-year production capacity of six N-250 aircraft. Capacity will be increased to 52 per year in line with growth in demand. Due to additional capacity and the number of employees, now 15,000, the present 70-hectare site is no longer sufficient.

Yuliswar also revealed that although the allocation of PMP [Government Capital Participation] funds for BUMNIS [Strategic Industry State-Owned Corporations] is decreasing, the government has guaranteed that R&D funds and initial working capital will be made available to develop the N-250. "I don't know exactly how much. It will clearly support IPTN Inc's production operations, especially for first deliveries of the N-250 in 1997," he said. He did not say whether funds for changing the aircraft's design are included in the R&D funds which the government has guaranteed.

At the same time, Hari Laksono, Director of the Universal Maintenance Center (UMC-IPTN), said that as part of the effort to increase local content, IPTN Inc is pioneering the production of aircraft engine components.

#### **Government Contractors To Build Power Plant**

*BK2502160594 Jakarta ANTARA in English 1444 GMT 25 Feb 94*

[Excerpt] Bandar Lampung, Feb 26 (ANTARA)—The government has assigned PT [Private Limited] Duma Na Napu in cooperation with Southern Electric International to construct the 200 megawatts steam-power plant (PLTU) worth U.S.\$300 million in southern Lampung. President/Director of PT Duma Na Napu Soy Martua Pardede said Friday his company is currently preparing the proposal to be handed over to the Ministry of Mines and Energy director-general for electricity. Pardede, after his meeting with Lampung's deputy-governor Man Hasan, said here Friday that the proposal is expected to be submitted in May.

The steam-power plant will be built on a 50-hectare site, a land that has been relinquished by the state-owned electricity firm PLN [National Electricity Board]. "We are obliged to pay PLN for compensations only," Pardede said.

In constructing the steam-combined-cycle-power plant, PT Duma Na Napu will also cooperate with local contractors such as Bakrie Brothers and the Wirataman consultants, a consultancy firm also hired by the Paiton PLTU in east Java.

The Southern Electric International is a giant American company and manages a number of electricity-generating projects with a combined capacity of 36 million megawatts, Pardede said. This capacity is three times the size of PLN's electrical capacity, he added.

The Lampung project construction will begin late 1995 and is expected to be operational in 1998. The power-plant will get its coal supply from Bukit Asam, a coal mining area in the same province. The location of the plant is adjacent to the Bandar Lampung Tarahan coal port that has so far served as terminal for coals being transported to Suralaya's PLTU in west Java. The Tarahan coal port is able to accommodate 10 million tons of coal annually, and will be expanded to accommodate at least 12.5 million tons yearly. [passage omitted]

### **Philippines**

#### **Ramos Speaks on Intellectual Property Rights**

*BK0103101194 Quezon City Radio Filipinas in English 0230 GMT 1 Mar 94*

[Speech by President Fidel Ramos during the Symposium on Philippines' Accession to Intellectual Property Rights Protection and the First Anniversary Celebration of the Presidential Inter-Agency Committee on Intellectual Property Rights at Malacanang Palace in Manila on 28 February; monitored in progress—recorded]

[Excerpts] A year ago we established the Inter-Agency Committee on Intellectual Property Rights [IACIPR] under Executive Order No. 60, which is your Bible, and this is our instrument for improving and enforcing existing laws for the protection of intellectual property rights [IPR]. We did this to strengthen collaboration among various government agencies and the private sector [words indistinct] infringements, piracy, and counterfeiting, and since then, the 13 government agencies and the two NGO's [nongovernment organization] who compose the IACIPR, had mounted a concerted and aggressive effort in pursuing the committee's mandate and functions. [passage omitted]

From the perspective of local investors, authors, trademark owners, and producers, IPR protection is indispensable for the development of domestic industries that do more than copy foreign models, but show the creativity and the ingenuity of the Filipino. Provided with adequate protection and incentives, the Filipino inventor can develop the critical technology needed for the rapid development of our industrial and agricultural sectors. [passage omitted]

Under the 1992 Inventor and Invention Incentives Act, R.A. [Republic Act] 7459, inventors enjoy income tax exemptions for the first 10 years from the date of the first sale of the invention and they are exempted from business license fees, among others. Through your IACIPR, you will strengthen the protection of their inventions against piracy and counterfeiting so that they will earn rightful profits for their inventions and recover their investment.

We plan to do the same thing for our artists, writers, performers, composers, and musicians whose talents have not only enriched our lives but have gained worldwide recognition for the Philippines as well. That, this administration has given priority to the development of culture and the arts. [sentence as heard] We have adopted the national development plan for culture and the arts to promote a renaissance in Filipino culture.

Institutions critical to the plan are now in place, part of which is the national endowment fund for cultural and artistic programs. The government is also taking steps to develop the local movie, television, and music industries into export industries, and we hope to turn Metro Manila and Subic and many other places later on into the Hollywood of the Philippines and of the Asia-Pacific region.

To promote cultural renewal it is important that the intellectual creations of Filipino artists and musicians be recognized and protected. In the state of our composers, for example, we should give value to their intellectual creations and their works by paying them adequate royalties every time their music is performed for profit and it is only just and fair that all establishments using their musical compositions should start thinking about paying the royalties due our composers and musicians. [applause]

I am pleased to announce that upon my instructions the Department of Trade and Industry [DTI] has submitted a study on how to effectively enforce nationwide the music copyrights of composers and authors.

From the perspective of foreign investments, especially those that hasten the phase of technology transfer, our interest is to build up the confidence of investors in the country's capability to protect their intellectual property rights the minute they bring their own technology and products into the Philippines. We must also contend with international development that impacts on foreign trade and investments. For example, major markets for our export products such as garments, furniture, and sugar, require that we protect their IPR or otherwise face trade sanctions. This can adversely affect the achievements of our export and investment targets. IPR, therefore, is clearly indispensable if we are to achieve the goals of Philippines 2000.

Towards making the Philippine business environment more attractive and competitive in the race to attract foreign investments, the Philippine Government remains committed to evaluating its present flaws of IPR

in consonance with our multilateral and bilateral commitments. As you well know, last 15 February 1993 [year as heard], the Philippines, together with 117 other countries accepted the conclusions of the Uruguay Round [UR] of the multilateral trade negotiations under the auspices of the General Agreement on Tariff and Trade, or GATT, because it will bring about substantive benefits to our economy. The recently concluded UR negotiations have further strengthened the multilateral trading system by bringing in agriculture and services into the GATT, achieving lower tariffs, removing nontariff barriers, improving GATT rules and discipline, including dispute settlement and ensuring a more adequate protection of IPR's.

In the area of IPR's, the benefits we can derive from the UR are the greatly reduced risk of unilateral trade action such as the Section 301 actions of the U.S. Omnibus Trade Law and strengthen dispute settlement procedures. But availing ourselves of this benefit is not without cost. In the area of IPR we have to accede to tighter rules for protection and accept the possibility of cross-retaliation which means that continued violation of commitments in the services of IPR areas, for example, can bring about a retaliation in the goods area if authorized by the new world trade organization.

The UR provisions of the trade [-related] aspects of intellectual property or TRIP's have set terms and standards on IPR that all the members of the GATT will have to adopt in their respective laws. Most of these norms and standards, however, are already found in Philippine laws. In Asia, we have one of the most comprehensive legal systems dealing with intellectual property. As early as 1947, the Philippines legislated a patent of trademark system based on American law. In 1972, P.D. [Presidential Decree] 49, a decree on intellectual property was issued containing almost all the modern principles of copyrights, including the grant of copyrights to computer software. Likewise, the rights of performers, recording companies, and broadcasting companies known as property rights, were recognized and protected. But unlike other developing countries, especially in Asia, our acceptance of the TRIP's agreement does not involve a basic change in our existing intellectual property protection system. It would merely introduce changes to update our laws in line with the rapidly modernizing world.

In considering the many benefits and advantages the Philippines would gain in accepting the UR agreement, I am clearly in favor of Philippine accession to the substantive provisions of the 1971 Berne Convention. Early today, I signed our country's instrument of accession, thereto, an endorsement letter to the Senate requesting it to ratify the same as soon as possible. [applause] I would like to assure you that we will also take decisive action to amend our laws to adopt to TRIP's standards. These bills are now being rushed and the DTI will ensure their filing with Congress shortly.

While intellectual property rights laws in the Philippines are comprehensive enough, much more is to be done to improve their enforcement and we would like to thank Stanford Research Institute or SRI International for undertaking an in-depth study on the problems of the adjudication process of IPR cases. I have taken note of and I am very much alarmed by the serious delays and inefficiencies which the existing adjudication procedures inflict on IPR holders whenever they seek redress for their grievances. I assure you that we will give serious considerations to measures that you have proposed to clear the procedural bottlenecks that you have identified.

We now see a convergence between government plans and those of SRI in certain proposed measures to solve the problems in the adjudication process. We have already considered the need to set up special courts to hear exclusively IPR cases. I do not have any objection to this proposal. In fact, I would like to take this opportunity to direct your IACIPR Chairman Secretary Navarro to coordinate with the executive secretary, Teofisto Guingona, of the referral of this proposal to Chief Justice Andres Narvasa of the Supreme Court. We will request him to act on this favorably. Please take note also that the administration-sponsored measure revising the jurisdiction of the courts was approved last week by the Senate-House bicameral conference committee.

The threshold of the amounts involved for the regional trial court, or RTC, to acquire jurisdiction with respect to civil actions involving real property, maritime, [word indistinct] cases, and etcetera has been increased substantially. This will unload the dockets of the RTC's and enable them to dispose of their backlog expeditiously.

We also hope to raise the penalties of infringement of IPR and simplify the procedures for the prosecution of IPR violators through legislation. Finally, allow me to commend the IACIPR for its impressive performance during its first year of operations in battling piracy and counterfeiting [applause] [passage omitted]

#### **Japan To Support Self-Reliant Philippines**

*OW2502120894 Tokyo KYODO in English 1140 GMT 25 Feb 94*

[Text] Manila, Feb. 25 KYODO—A high-level Japanese economic mission Friday [25 February] ended talks with Filipino counterparts assuring Manila that Tokyo will continue to support its bid for self-reliance.

But the mission headed by Ambassador Yasue Katori emphasized the need for "transparency and accountability" in implementing official development assistance (ODA) extended to the Philippines.

Hideaki Ueda, a member of the mission, said reports of corruption in the use of ODA in the Philippines have triggered criticism in Japan. He said, however, no particular case was discussed during the talks.

Japan is the Philippine's biggest foreign donor, providing 37 percent or about 2 billion dollars of all ODA to the country last year.

In a joint press statement, the mission also said the Philippines should continue to further "self-help efforts," particularly in the areas of tax reform and agrarian reform. It also expressed Japan's desire for the Philippines to "pay full consideration to the environment impact of development projects."

Finance Secretary Roberto de Ocampo said the Philippines responded by expressing its intention to continue "self-help efforts," particularly in raising counterpart funds related to ODA projects.

Manila also said it "recognized the need for greater transparency and accountability in the implementation of ODA" and pointed to parallel efforts toward environmental conservation.

The two sides agreed that future Japanese assistance will be channeled to economic infrastructure, support for the restructuring of industries and development of agriculture, poverty alleviation and environment conservation. The mission also expressed support for grass-roots projects in these fields.

Ueda said the Philippines will be a major recipient of future Japanese aid but could not say how much of Tokyo's 70-75 billion dollar outlay for 1993-1997 Manila would be getting. He also said an early agreement between the Philippines and the International Monetary Fund would make discussions on future assistance easier but said this was not a "precondition" for the grant of Japanese ODA.

#### **RAM Leader Vows To Return Weapons After Talks**

*BK2802084194 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 28 Feb 94*

[Text] RAM [Rebolusyonaryong Alyansang Makabayan—Nationalist Revolutionary Alliance] leader Gringo Honasan announces that they are willing to surrender weapons in their possession. According to Honasan, they are going to turn over these weapons after the signing of the peace agreement between the military rebels and the government. RAM is said to be in possession of anti-tank weapons, high caliber arms, and bullets.

#### **Thailand**

#### **Prospects for U.S. Textile Talks 'Bright'**

*BK0103021894 Bangkok BANGKOK POST in English 1 Mar 94 p 21*

[Text] Thailand and the United States last week failed to bring to a conclusion talks on extending the bilateral agreement on export quotas for Thai garments and

textiles. However, Foreign Trade Department director-general Oranut Osathanon said she believed that the prospects looked bright for the next round of talks.

Ms Oranut last week led the Thai delegation for the second round of negotiations with the US textiles negotiating team in an attempt to extend the bilateral agreement that expired in December last year.

The first round of talks, last December, failed because the US placed very tough punishment conditions in cases where the US found trans-shipment or re-routing of Thai products to third countries before entering the US, a method designed to get around quotas known as "circumvention". Ms Oranut said last week that the US had relaxed its condition on the "circumvention" clause, saying that it would cut quotas only once in the case of products found to be shipped to the US illegally. And if the Thai side was able to prove its innocence in the case, the US must compensate for all quotas cut.

She said the US had relaxed its earlier stance insisting on investigations, without advance warning to the Thai side, of factories suspected to have conducted "circumvention". Both sides last week agreed that the US must inform the Thai Government and investigate the factories accompanied by Thai officials.

However, neither side discussed the amount of quotas or the growth rate of quotas for which the US will allow imports from Thailand each year. Hence the need for another round of negotiations. Ms Oranut said the Foreign Trade Department will today call a meeting of private-sector representatives to determine what the country's position should be.

#### **Tharin Seeks Double-Tax Talks With Bentsen**

*BK0103103794 Bangkok PHUCHATKAN in Thai  
28 Feb 94 pp 1, 2*

[Text] Commenting on the Thai-U.S. talks on a double taxation protocol, Director General of the Revenue Department M.R. Chatumongkhon Sonakun said the department is summing up the results of the talks, held in early February, for Finance Minister Tharin Nimmanhemmin. Mr. Tharin will discuss several unresolved issues with U.S. Treasury Secretary Lloyd Bentsen during the APEC meeting in Honolulu, Hawaii, on 19-20 March. The director general said he hoped that a conclusion could be reached and that no more official negotiations would be necessary. Anyway, he realized that it is difficult because there are several sensitive and complicated issues left to be tackled.

M.R. Chatumongkhon said these partly came from the failure of Thai officials negotiating with the U.S. side, which demanded more than the Thai could grant. Another problem deals with rigid regulations the U.S. side wanted to put into the protocol, whereas the Thai side wanted something more flexible.

A source at the Revenue Department said that there are several points left for negotiations concerning the protocol. He said the United States wants advantages over Thailand, whereas the matter itself is very complicated. A still unresolved important issue is about taxation on benefits. The United States has a special service set up for financing housing loans. The United States defended this as helping people to own homes. Thailand, meanwhile, wanted its BIBF [Bangkok International Banking Facilities] covered by the double taxation protocol, but the United States disagreed.

According to the source, there are unsettled issues concerning copyrights, such as import tax rates of U.S. copyrighted movies for distribution in Thailand. Thailand requested a rate reduction; there was no agreement on this. Anyway, there is no problem about purchasing real estate.

The U.S. Government attached importance to U.S.-Thai negotiations on double taxation. The matter was taken up for discussion during U.S. Treasury Secretary Lloyd Bentsen's visit, and there was an agreement to hold official negotiations as soon as possible. As a result, there were talks in mid-February, but it yielded no clear-cut solution. Finance Minister Tharin Nimmanhemmin is expected to discuss the problem with Treasury Secretary Lloyd Bentsen during the meeting of APEC finance ministers pending further official talks in early 1994.

#### **Prasong, PRC's Qian on APEC, Li Visit**

*BK0103110394 Bangkok ZHONG HUA RIBAO in  
Chinese 1 Mar 94 p 8*

[Excerpts] Qian Qichen, Chinese vice premier and foreign minister, asked Foreign Minister Squadron Leader Prasong Sunsiri, in his capacity as the chairman of the ASEAN Standing Committee, to use last November's Seattle meeting of the Asia-Pacific Economic Cooperation [APEC] as a model for an APEC meeting to be held in Bangkok next year. The Chinese Government is satisfied with this although Taiwan sent an economic affairs official to participate.

Qian Qichen and his delegation left Don Muang Airport at 1600 yesterday for Sri Lanka. After seeing Qian off at the airport, Foreign Minister Prasong briefed reporters on their talks. [passage omitted]

The Thai foreign minister said that he had asked Qian to repeat the House Foreign Affairs Committee's invitation for the Chinese National People's Congress Foreign Affairs Committee to send a delegation to Thailand at an appropriate time. The Chinese delegation postponed its trip to Thailand following Taiwan President Li Teng-hui's visit to Thailand. Foreign Minister Prasong also asked Qian to convey a repeated invitation by Prime Minister Chuan Likphai for Chinese President Jiang Zemin to visit Thailand at an appropriate time. Foreign Minister Qian said that he will pass Thailand's goodwill to relevant authorities.

Prasong also said that he will send an official invitation to Qian and his wife Zhou Hanqiong to attend the annual ASEAN foreign ministerial meeting in Bangkok in July.

Prasong said that although Qian's stopover in Bangkok was short and there was a problem concerning the Taiwan president's visit, the two sides had reached a good understanding following a frank exchange of views. The Chinese did not see the issue as obstructing good relations between the two countries. This is only a phenomenon in the long-standing good relations between the two countries. Thai-Chinese cooperation in the political, economic, and trade fields will be further developed.

#### **Editorial Hails Pressure on Vang Pao, Mons**

*BK0103080994 Bangkok NAO NA in Thai 1 Mar 94 p 3*

[Editorial: "The First Accomplishment of the Government"]

[Text] It is good news for everyone that the Thai Government recently implemented a policy of pushing leaders of minorities from our neighboring countries out of Thai territory, as these people were using Thailand as bases for armed struggle against those governments.

This good news has been attested to by the report on requests by the Thai military for the police to arrest Lao General Vang Pao, accused of having built a clandestine headquarters on Thai territory to wage war against the Lao Government and Mon generals who used strongholds on Thai soil to lead rebellion against the Burmese Government.

This is a good omen because it indicates that Thailand is readjusting its foreign policy in line with the global trend. Formerly, Thailand used areas under the control of minority rebels as buffer states to maintain distance from the neighbors and used them as a shield against external aggression.

The Thai Government has come to realize that some of our neighbors, although they may pursue different political systems or be under the rule of a military regime or a single-party system, are all pressured by internal forces to open their economies for free trade. It does not matter how Thailand manages to profit from more economic and trade ties with neighbors, but the point is that it must first revise its policy in dealing with them.

NAEO NA believes that as long as there are rumors about the presence of minority rebels on Thai soil, suspicion and hatred from neighboring governments will continue to linger. In other words, Thailand will certainly lose to third countries the opportunity to benefit from open markets in their neighbors. The ongoing readjustment of the Thai Government policy is indeed correct.

#### **Mongolia's Gombosuren Outlines ASEAN Hopes**

*BK2802032294 Bangkok THE NATION in English 28 Feb 94 p A7*

[Excerpts] Mongolia plans to apply to join the Association of Southeast Asian Nations (Asean) within three years, the visiting Minister for External Relations Tserenpilyn Gombosuren said yesterday. He believed joining the regional grouping would stimulate the development of his country, which switched from a socialist system to democracy in 1990. "Our external relation's interest is to join Asean within three years, but it depends on the agreement of Asean members," Gombosuren told THE NATION.

Gombosuren is accompanying Mongolian President Punsalmaagiyn Ochirbat on a three-day official visit which concludes today. In talks with Prime Minister Chuna Likphai, Ochirbat raised his government's interest in joining Asean, attending the Asean Regional Forum and joining the Asia Pacific Economic Cooperation (Apec) forum. [passage omitted]

"We can see in Europe and North America that regional organizations play a vital role in stimulating political and economic development," said Gombosuren. "We feel this kind of cooperation is very important. We do not have to copy it, but take it as an example and develop model suitable to our region." The minister said his government has attached great importance to this visit—the president's first trip abroad—because Thailand is a country with an outstanding record of success in social and economic development.

In a joint statement issued at a press conference in Pattaya, both sides agreed that the Asia Pacific region and the world have now moved into a new era in which countries enjoy much-improved relationships and greater cooperation. They also recognized the trend toward regional consolidation and peaceful resolution of disputes and that an unprecedentedly favourable environment now exists for both bilateral and multilateral cooperation among countries in the region.

#### **Burma's Kachin Bridge Not To Affect Security**

*BK2702120794 Bangkok THE SUNDAY POST in English 27 Feb 94 p 1*

[Text] The Foreign Ministry is to propose the government pay the 79.2 million baht cost of building the Thai-Burma Friendship Bridge, Government House sources said yesterday. Foreign Minister Prasong Sunsirir is to put the proposal to the Cabinet at its meeting on Tuesday, the sources said.

The proposal is that 39.6 million baht be allocated for the purpose from the fiscal 1994 budget and 39.6 million baht from the fiscal 1995 budget. Both allocations should come from the Highways Department budget. The bridge is to be built over the Moei River to connect Mae Sot district, Tak province with Myawaddy town in Kachin state. The proposal has been approved by the

Budget Bureau and the Finance Ministry, sources said. However, the ministry said Thailand should have full rights over the bridge and the collection of tolls.

The secretary-general of the National Security Council, Charan Kunlawanit, wrote to the Cabinet approving the Thai-financed construction of the bridge. Interior Minister Chawalit Yongchaiyut backed the project in a report to the Cabinet, saying the area around the proposed bridge is a "temporary passage" between the two countries which should be upgraded into a "permanent" one, sources said.

It should be made clear whether goods transported over the bridge can reach Rangoon, because those that go over the Tachilek passage point in Mae Sai district, Chiang Rai are only allowed to be transported as far as Chiang Tung [Keng Tung] town in Shan state, he said.

Defence Minister Gen. Wichit Sukmak wrote in his report to the Cabinet that the bridge will benefit both countries and will not affect security, sources said.

The project was initiated by the Chatchai Chunhawan government when his cabinet adopted a resolution in its favour on August 1, 1989. The Foreign Ministry was to set up a committee to study the issue and seek capital from the UK, Japan and other countries. The estimated cost of the bridge in 1989 was 60.5 million baht.

#### **Police Arrest 16 Burmese 'Activists' 24 Feb**

*BK2602115594 Bangkok BANGKOK POST in English  
26 Feb 94 p 6*

[Text] Special Branch and immigration police arrested 16 Burmese activists at various places in Bangkok on Thursday [24 February]. The activists, who were detained at the Immigration Detention Centre, are alleged to be working against the Rangoon government.

#### **Central Bank To Keep Liquidity Control Policy**

*BK2602115094 Bangkok BANGKOK POST in English  
26 Feb 94 p 17*

[Text] The Bank of Thailand has decided to stick to the policy of controlling surplus liquidity in order to maintain the credit expansion of 21 percent as planned. Roengchai Marakanon, deputy governor of the Bank of Thailand, said on Thursday night that the economy was showing signs of strong and rapid revival. To avoid overheating, the central bank has therefore decided to further control excess liquidity so that the projected 21 percent credit expansion can be achieved. The strong growth is partly attributable to the export growth of last year and this year, which is likely to surpass all expectations, Mr. Roengchai said.

Last month's annual export value increased by 15.6 percent, while the target was set at 14.6 percent. This indicates quite definitely that the economy will grow by not less than 8 percent this year, he said.

Mr. Roengchai added that the financial system will be tight in the short term, depending on the spending of the public during certain periods. In these cases the central bank will accommodate through the extension of short-term loans. If, on the other hand, there is excess liquidity, the Bank of Thailand will adopt absorption measures, some of which may include bond issues by government enterprises such as the Bank for Agriculture and Cooperatives.

In the long run, however, Mr. Roengchai said he believes that the liquidity excess will be lower than last year but not to the level of tight money thanks to the remaining capital inflows, particularly in non-resident baht accounts and in the Stock Exchange of Thailand.

The outflow experienced during last month did not even reach 5 percent of the total capital inflow of last year which stood at 280 billion baht he said.

Although deposits have risen 17 percent to 18 percent while credits have expanded more than 21 percent, the financial market will not be tightened. This is because commercial banks can mobilize foreign funds from abroad, he explained. Consequently, the central bank must follow the situation closely to ensure adequate liquidity and to avoid overheating resulting from an excess in credit expansion (more than 21 percent) and high inflation (higher than 4 percent).

It is vital to control inflation at the projected level as it plays a very important role in fostering the competitiveness of Thai exports. Malaysia, for example, has inflation of as low as 3 percent, Mr. Roengchai said.

#### **Investment Projects in Provinces Approved**

*BK2802113494 Bangkok Radio Thailand Network in  
Thai 0000 GMT 28 Feb 94*

[Text] Applications for 800 investment projects in provincial areas were received last year. This represents 64 percent of the total investment applications throughout the country. So far, 512 projects involving investment capital of over 73 billion baht have been approved by the authority.

Somchai Krusansombat, assistant secretary general of the National Economic and Social Board [NESDB], said:

[Begin Somchai recording] So far, 849 projects have been approved by the NESDB. Out of this, 512 projects will be launched in provinces. The investment capital of over 73 billion baht will create jobs for some 100,000 people. However, the 73 billion baht is about 30 percent of the total investment capital of the projects that received the NESDB approval last year. Most of the projects deal with agriculture. [end recording]

**Editorial on Coalition Government Situation***BK0103103594 Bangkok KRUNGTHAP THURAKIT in Thai 1 Mar 94 p 2***[Editorial: "A Summit of Parties in the Government"]**

[Text] There is a sign that the present government is not doing very well. Prices in the stock market have fallen since the beginning of this week, while stock prices in the foreign stock markets have not gone down. Experts in the stock business point out that apart from the outflow and withdrawal of foreign capital invested in Thailand for profit-taking, another reason for the drop of the stock index could be the present political situation, which does not look so good. Such a situation makes investors reluctant to remain in the market.

This kind of attitude seems very possible, because since the beginning of the new year there have been observable conflicts among the parties in the coalition government.

A clear case is that the Phalang Tham Party has tried to bring up the issue of developing decentralization of administration through the election of provincial governors—an issue that the Democrat Party, a core in the government, does not agree on. Strong verbal, irreconcilable conflicts have ensued between members of the two parties, although compromises were possible.

Another case is the conflict between the Democrat and Solidarity Parties. The leader of Solidarity tried to dismiss a permanent secretary on a charge that he failed to meet popular demands. In fact, that is actually the job of the head of that ministry.

These two cases make the people feel that there is a high possibility that these two parties may no longer be able to get along with each other in this government. At the same time, there have also been extensive rumors that the Democrat Party has approached at least two opposition parties that have enough seats to ensure the government to continue its national administration and made offers for them to join the government.

Regarding this news—which reflects government instability, it is strange that the Democrat Party, and particularly its leader Chuan Likphai, have neither shown any reaction nor any tendency to correct or improve the image of the government. It looks as if Chuan is content to let problems prevail until the government collapses because of withdrawal of parties in the coalition. This contradicts his actions in the early days of the government, when the prime minister had to reach compromises among the coalition parties whenever problems arose or misunderstandings occurred.

We do not want to see rumors turn into reality by letting parties in the government withdraw and inviting an opposition party to join the coalition in an undignified manner. We want to see leaders of all the parties in the present government hold a meeting to discuss guidelines

for solving problems or to clearly make adjustments. All this is to ensure public confidence that the government remains stable.

The prime minister should no longer remain indifferent and let the situation resolve itself. This method of playing politics will only cause the country as a whole to suffer more losses. We want to see him move urgently on this matter. Do not just threaten that if a government party pulls out, no opposition party will be invited to join, but parliament would be dissolved instead. Such a statement is just a threat, not proper for a core party in the coalition government. While the democracy-loving people hope to see this government last its full four-year term, we wonder what has happened to the prime minister and why he has remained so indifferent.

**Vietnam****Hanoi Radio Reports Launch of New MIA Search***BK2602113094 Hanoi Voice of Vietnam in English 1000 GMT 26 Feb 94*

[Text] U.S. teams will on Saturday launch their first searches for forces missing in action in Vietnam since the lifting of the American embargo. Experts from the MIA Task Force will be sent out across 19 provinces in the north and south of Vietnam to investigate sites where the remains of U.S. forces might be found. The month-long mission will look into 59 cases specified as top priority by the U.S. MIA Office.

**Construction Workers Contracted To Work in Libya***BK0103150594 Hanoi VNA in English 1423 GMT 1 Mar 94*

[Text] Hanoi VNA March 1—One hundred Vietnamese workers left here yesterday for Libya under a construction contract signed recently between Vinaconex, a Vietnamese overseas construction company, and South Korea's Tong A Consortium.

They are the first batch of some 2,000 workers and overseers to be sent to work in a man-dug river project in Libya in 1994.

In 1993, 1,500 Vietnamese workers were sent to Libya under contracts signed between Vinaconex and Tong A Consortium.

**Lee Kwan Yew Cited on Party, Human Rights***BK2502132694 Hanoi Voice of Vietnam in English 1000 GMT 25 Feb 94*

[From the "Talk of the Week" feature]

[Text] Changes in Vietnam because of the renovation process have been noted around the world, even by those

who do not sympathize with the political system in the country. They also identified the cause for these changes for the better.

During his second working visit to Vietnam, Mr. Lee Kwan Yew, the famous Singaporean statesman who has been called an adviser to Vietnam in the market economy by the foreign press, frankly commented that the Communist Party of Vietnam was the best leadership for Vietnam. It is capable of maintaining the country's security. It is also the party that has been leading the Vietnamese Revolution since its embryo. The party was experienced and the party leadership was needed by the people. Vietnam has made steady progress. More changes will take place in Vietnamese society. Those comments by Mr. Lee acknowledge an irrefutable fact and that is, in the past, in the present, and in the future, Vietnam and the Vietnamese need the Communist Party leadership for their renovation process.

There exists in the world a scheme to change the political system in Vietnam under the theory that pluralism and the multiparty system are required to create real renovation. Those who advocate this theory are doing what they can to carry out their scheme. However, whether they can implement their scheme remains a question. Meanwhile, the Vietnamese people are seriously looking straight at the painful and costly lessons from the former Soviet Union and Eastern Europe. They see that pluralism and multiparty system only lead to chaos and collapse. [Words indistinct] fruits of the revolution which were obtained by blood and sweat of many generations and without which they cannot have independence, freedom, and prosperity. These opposition forces are shamelessly making use of the human rights issue in order to interfere deeply into Vietnam's internal affairs.

Proceeding from the essence of democracy reserved for the majority of people, Vietnam is prepared to dialogue to have those who want to know all aspects of human rights. They absolutely do not accept the imposition of human rights concept from any countries as well as all plots which make use of the human rights issue to interfere in Vietnam's internal affairs. They are ready to consider opinions saying that the human rights aspect in Vietnam is different from international law in order to perfecting laws and courts in service of democracy by the people and for the people. [sentence as heard]

In Vietnam, we are aware that current democracy must be further constructed in the interest of the majority of people. In its essence, this democracy is better than the one who reserved for the minority of people or a certain class. Only a democracy by the people and for the people can maintain a lasting security for the country and lead the renovation process to success.

**Commentary Previews Singapore Premier's Visit**  
*BK0103154494 Hanoi Voice of Vietnam in English*  
1000 GMT 1 Mar 94

[Station commentary]

[Text] The Singaporean prime minister, Goh Chok Tong, visits Vietnam soon. It will mark an important event in relations between Vietnam and Singapore. Here is our overview:

It is the first Vietnam visit by the existing Singaporean prime minister. It is in response to the Singaporean visit by Vietnamese Prime Minister Vo Van Kiet in 1993. The visit comes at a time when many changes are taking place in the region and the world. ASEAN countries in particular have achieved positive economic development and are promoting cooperation with Indochinese countries, including Vietnam.

Singapore recently has emphasized relations with Vietnam as an important policy. Mr. Lee Kwan Yew, the prestigious former leader of Singapore, has twice visited Vietnam recently. He said Singapore is ready to share with Vietnam experiences in economic development and management. Indeed, Singapore is now Vietnam's biggest trade partner. Two-way trade last year reached \$1.4 billion. Singapore ranks sixth among foreign investors in Vietnam, with 64 investment projects capitalized at more than \$430 million. Up to now Vietnam and Singapore have signed five agreements in important fields, including investment encouragement and protection, a trade agreement, an airlines agreement, a maritime agreement, and an agreement on environmental control and conservation.

The coming official visit to Vietnam by Prime Minister Goh Chok Tong will help boost relations to a higher level. Vietnam highly values and respects its friendly and cooperative relations with Singapore and firmly believes that the Vietnam visit by Mr. Goh Chok Tong will be a success and an important mark in relations between Vietnam and Singapore.

**Nong Duc Manh Returns From 9-Day PRC Visit**  
*BK0103151094 Hanoi VNA in English 1411 GMT*  
1 Mar 94

[Text] Hanoi VNA Mar. 1—The National Assembly delegation led by its chairman Nong Duc Manh returned to Hanoi this afternoon concluding a 9-day official visit to China.

**Premier Receives Chairman of British Petroleum**  
*BK0103072894 Hanoi VNA in English 0611 GMT*  
1 Mar 94

[Text] Hanoi VNA March 1—Prime Minister Vo Van Kiet received here yesterday afternoon Lord Ashburton, chairman of the British Petroleum company—one of the leading oil companies in the world.

Lord Ashburton, who arrived on Feb. 25, expressed his pleasure at his first visit to Vietnam and his wish to expand cooperation with Vietnam in oil and gas exploration, exploitation, processing and trading, including the supply of quality petrol for Vietnam's civil aviation. He hoped that the cooperation between BP and Vietnam

would be further boosted. Speaking to his guest, Prime Minister Vo Van Kiet noted with satisfaction that the cooperative ties between BP and Vietnam have a bright prospect to develop, and expressed his belief that Mr Ashburton's visit would contribute to the building of long-term cooperation between Vietnam and BP. Earlier, Mr Ashburton discussed with officials of the Vietnam Natural Oil and Gas Corp. on the orientations and steps to develop the all-round cooperation between BP and Vietnam.

#### **Vice President Nguyen Thi Binh Visits Mali**

*BK2802095694 Hanoi VNA in English 0557 GMT 28 Feb 94*

[Text] Hanoi VNA Feb. 28—Vice President Nguyen Thi Binh has paid a two-day official friendship visit to the Republic of Mali as guest of its President Alpha Oumar Konare.

Vice President Binh was accompanied by Mr. Nguyen Trong Nhan, minister of public health Nguyen Dy Nien, deputy foreign minister Mai Van Dan, deputy minister of trade Nguyen Thien Luan, deputy minister of agriculture and food industry Vietnamese Ambassador to Mali Tran Xuan Man and a number of senior officials.

While in Mali, Vice President Nguyen Thi Binh held talks with President Alpha Oumar Konare and Prime Minister Ibrahim Boubacar Keita. She and the Malian leaders exchanged views on the international and regional issues of common concern. The two sides expressed their desire to consolidate and promote the traditional friendly relations between the two governments and peoples. They also discussed the orientation and measures aimed at strengthening the multi-faceted cooperation in conformity with the demand and potential of each country.

Vice President Binh conveyed the invitation of President Le Duc Anh to President Alpha Oumar Konare to visit Vietnam. President Konare accepted the invitation with pleasure. In the evening of Feb. 25 President Alpha Oumar Konare gave a banquet in honour of the Vietnamese vice president and her party during which he conferred the order 'Great Nation' on Vice President Binh.

Also on this occasion the two sides signed an agreement on cooperation in economy, trade, culture and science, and issued a joint communique.

On afternoon, of Feb. 26, Vice President Nguyen Thi Binh left Bamako, for Guinea, the third leg of her Africa tour.

#### **Business Council Set Up With New Zealand**

*BK2802152694 Hanoi VNA in English 1428 GMT 28 Feb 94*

[Text] Hanoi VNA Feb 28— A memorandum of understanding on the establishment of a Vietnam-New

Zealand Business Council was signed here today by the Chamber of Commerce and Industry of Vietnam and New Zealand's International Trade Council.

Signatories were Dao Xuan Lam, president of the Vietnam-New Zealand Business Council, and Dave Williams, president of the New Zealand-Vietnam Business Council.

The establishment of the trade council is aimed at contributing to the promotion of the friendship, goodwill and mutual understanding between the two countries businessmen, thus boosting bilateral cooperation in trade, investment, economy and technology.

Vietnamese Prime Minister Vo Van Kiet and New Zealand Prime Minister J. Bolger have extended their greetings to the setting up of the business council which they considered as a fine manifestation of the multifaceted cooperation between Vietnam and New Zealand and a favourable opportunity for enhancing the economic and commercial exchanges and the friendship and solidarity between the two countries in the interest of each country and for the development and cooperation in the region.

#### **Draft Laws on Investment, Taxes Discussed**

*BK2702133894 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 25 Feb 94*

[Text] The Government held its regular meeting from 24-25 February 1994 under the chairmanship of Prime Minister Vo Van Kiet and Deputy Prime Ministers Phan Van Khai, Nguyen Khanh, and Tran Duc Luong. Also attending the meeting were Hong Ha, director of the party Central Committee Foreign Relations Department; Nguyen Viet Dung, director of the Presidential Office; Hoang Bich Son, director of the National Assembly Foreign Relations Committee; and Nguyen Van Tu, president of the Confederation of Vietnamese Workers.

On this occasion, members of the Government heard reports and held discussions on diplomatic activities and external economic relations in the new situation. They also discussed the draft laws on domestic investment promotion, taxes on the transfer of land use rights, taxes to be levied on households which make use of land beyond set allocations, regulations governing awards for individuals who render meritorious services, and regulations governing procedures for resolving economic disputes.

Afterwards, the government adopted the revised draft laws and regulations for submission to the National Assembly for decision in the days ahead.

#### **Bank Sector Acceleration Into Market System**

*BK2802061294 Hanoi Vietnam Television Network in Vietnamese 1215 GMT 26 Feb 94*

[Text] From 23 to 26 February in Hanoi, the banking sector held a conference of bank managers to evaluate

banking activities in the past three years. Comrade Phan Van Khai, member of the party Political Bureau and deputy prime minister addressed the conference. The conference discussed reforming inspection and control of banking activities, the application of computers in the banking service, and the training of banking staffs in 1994.

The new requirements and duties demand that the banking sector quickly accelerate its modernization process for quick integration to the market mechanism and introduce active measures and regulations for the speedy establishment of a short-term capital market and stock market to meet demand for capital by all economic sectors. At present, the banking sector has established plans to modernize its banking technology until the year 2000.

#### **UNDP Project on Financial Systems Ends**

*BK0103075194 Hanoi VNA in English 0631 GMT  
1 Mar 94*

[Text] Hanoi VNA March 1—The UNDP-funded project on financial systems' development in Vietnam has expired after 19 months of implementation.

The project with the total of about USD 1.9 million, codenamed VIE/90/005, was funded by the United Nations Development Programme (UNDP) and executed by the International Monetary Fund (IMF) and jointly implemented by the Ministry of Finance and the State Bank.

The project was evaluated as successful regarding general analysis of the state budget's impact on the economy in the market mechanism, draft of institutional structure in conformity with the activities of two level-banking system, and other subjects.

The project activities covered such fields as reform of the banking system, budget planning and expenditure control, fiscal and monetary statistics, financial monitoring of state enterprises, and debt management. It also held five training courses and three seminars and trained 250 professionals in management and control of financial and monetary activities in the market oriented economy.

All above-said results of the project were highly evaluated by the UNDP, IMF and the Ministry of Finance and the State Bank in the final review meeting held here yesterday.

#### **All-Army Midterm Party Conference Opens**

*BK0103052294 Hanoi Voice of Vietnam Network in  
Vietnamese 2330 GMT 28 Feb 94*

[Text] The all-army midterm conference of party organizations is due to open in Hanoi this morning, 1 March.

The conference will be attended by 183 official delegates including members of the party Central Committee

Military Commission and comrades chosen by the executive committees of various party organizations under the party Central Committee Military Commission.

Attending as guests of honor will be representatives from the party Central Committee Secretariat, the party Central Committee Organization Department, the party Central Committee Ideology and Culture Department, the party Central Committee Inspection Department, the Office of the party Central Committee, the NHAN DAN editorial staff, Radio Voice of Vietnam, and the Vietnam Television Station.

The all-army mid-term conference of party organizations will seek a thorough understanding of the documents of the mid-term national conference of the party Central Committee during its seventh term of office and will discuss a report of the party Central Committee Military Commission. The latter reviews efforts aimed at providing guidance for the implementation of the national defense task over the past two and a half years and sets forth the orientations and tasks as well as an activity program for the next two years, with emphasis on moving an all-people national defense and a regular, elite revolutionary people's army toward gradual modernization.

The conference will last from 1-4 March 1994.

#### **\* Article Advocates Better Enterprise Management**

*942E0027A Hanoi QUAN DOI NHAN DAN in  
Vietnamese 25 Jan 94 p 3*

[Article by Viet An: "The Army in Economic Construction: The Urgent Need To Renovate Organization and Management"]

[Text] During the past 3 years, the national defense production and economic construction forces of the armed forces have developed quantitatively and increased their production-commercial effectiveness.

Three kinds of economic construction by the armed forces are: national defense enterprises; enterprises based on the economic accounting mechanism that produce or repair equipment and weapons, primarily for national defense, and use surplus capacity for economic production; and the specialized economic units, businesses that are based on the different sectors and trades. Another force are the regular units participating in production. A management system at all levels—from the Ministry of National Defense down to the basic level—has been formed. After the enterprises were reorganized in accordance with Decree 388, a total of 299 enterprises have been strengthened and reorganized, and have gradually entered into operation.

Therefore, during the past 3 years the economic construction activities of the armed forces have continually attained new results. Thanks to that, the cadres and the national defense production and economic capabilities

have been maintained and developed. They have contributed more and more to developing the national economy.

However, a number of units have not yet attained high economic effectiveness. Profit margins, amounts paid into the budget, and labor productivity are low; and their marketing is still weak, which greatly affects their ability to compete and their reputation on the market. The amounts turned over to the state and the army do not yet correspond to the existing potential. The reasons for that include factors of organization and management.

Enterprises reorganization has allowed us to see more clearly the structure and a worrisome situation. Of the total of 299 enterprises, with regard to their principal activity 68 are in the construction sector, 163 are industrial enterprises, 20 are agricultural, forestry, or fishing enterprises, and 48 are transportation, service, or commercial enterprises. Half are scattered out in localities nationwide. About two-thirds have fewer than 200 workers, and nearly half have less than 1 billion dong of capital. That shows their dispersion and small scale, and the heavily fragmented nature of their production and business. That has restricted in-depth investment to renovate the enterprises' equipment and technology, so it is difficult for them to improve quality and their competitiveness has been restricted. In order to have new equipment and technology by means of cooperation with foreign countries small enterprises are in a weak position, are not up to the task with regard to capital, experience, management, and the means to engage in international trade, so they may have to suffer business losses.

The activities of the units and enterprises demonstrate that many enterprises and corporations with one level of management operate stably and have a developing scale of production will be regulated with regard to organization and management, and do not need to ally with other enterprises in a new organization. But there are many with two levels of management which, after re-registering for business, have only administrative relationships with the lower echelon. On the other hand, there are corporations in which the lower-level enterprises still must cooperate with one another because of their products and technology, and can assist one another with regard to technology and capability to mobilize the sources of funds. But there are also many general corporations with two or three levels of management the role of which has become vague. On the other hand, some operate in the economic collective style. That situation is posing the requirement of studying specific organization and management matters.

Many new problems are being posed in the payment of taxes. Nearly all units have paid commercial income, agricultural, and export-import taxes to local tax offices. Many units want to pay taxes to a single place: the Ministry of National Defense. Because of Circular 08, some problems have arisen, so the payment of income taxes, land taxes, etc., is not uniform. With regard to

paying profits directly to the upper echelon, many units think there is an inequality with the other state enterprises.

With regard to depreciation and the payment of capital depreciation taxes, many units think that the present depreciation rate is rigid and, in general, is still too low. In the production-commercial units of the National Defense Industry and Economy General Department, the collection of depreciation taxes is not calculated accurately and fully. If calculated correctly, five to seven percent of the original value of fixed assets should be paid, but now only 1.45 percent is paid. Some units recommended that they be allowed to select a depreciation rate appropriate for the fixed assets borrowed by the unit, or use internal capital to purchase them. The form of fixed assets supplied from the budget should be readjusted or the depreciation rate should be based appropriately on each sector.

In assigning capital, difficulties are still being experienced in settlement and processing. Many difficulties are also encountered in determining how much capital to assign because assets are not uniform and come from many different sources.

New problems have arisen in implementing the system of reporting accounting statistics and applying the system of national accounts. Many units have not grasped the contents and the necessary knowledge to apply that system. In 1993 the state issued a decision to apply the system of national accounts nationwide. More than a year has passed but there has been no specific guidance on implementing it.

One problem receiving much attention is that there are still many problems in establishing and implementing the mechanism of the party leading, the directors managing, and the workers and staff serving as the masters in the military enterprises. Some party committees and chapters have been slow in renovating the activity contents and guidelines, and have not yet tied in party work with specialized work, and are still confused about the new mechanism.

Much progress has been made in the army's economic construction organization and management. But a new requirement that has been posed is continuing to renovate, overcome difficulties, stabilize organization, and develop the leadership role in production and business. The army enterprises are also state enterprises, but they have special characteristics with regard to their responsibilities, organization, and management. The labor structure includes many components, which causes the payment of salaries according to labor to be difficult to implement. The type of structure and the nature of fixed assets and capital brought into production have many different characteristics, so the renovation process also differs. It is difficult to force them into the same mold, but it is also necessary to observe the spirit of the state regulations.

Therefore, it is necessary to study and apply the policy of renovating the state's economic management organization and mechanism, gradually separate state management from the management of production and business, resolve the relationship between the management of property ownership and the management of property use, form stock companies, and organize the forms of cooperation, alliance, and federation. At the same time, we must guarantee that the armed forces have a system of enterprises that is capable of meeting the most important needs in the process of building a conventional army that is combat-ready and plays a worthy role in strengthening the national defense potential and the national economy.

Renovating the organization and management of national defense production activities and building the military economy are urgent concerns, but also have a basic, long-range significance in guaranteeing the absolute, all-round leadership of the party and the army. It must be carried out carefully and in correct accordance with the law, and there must be certain solutions and an appropriate course.

**\* General Sees New Requirements for Sapper Corps**

942E0025A Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Nov 93 pp 36-39

[Article by Major General Mai Nang]

[Excerpts] In past wars, together with the branches of service, branches, local troops, and people, the special operations troops have manifested the tradition of being "crack, heroic, and clever and innovative troops capable of winning victory" and completed all the tasks in an outstanding manner. [passage omitted]

Today, the country is at peace. Even though things are still not stable, organizing the military in general and organizing and building the special operations units in particular are different than in the past. In the present stage, construction and combat readiness are the leading tasks. Furthermore, the army's task of defending our socialist fatherland now has different requirements and themes: defending our independence, sovereignty, and territorial integrity is tied to defending the party, defending the socialist system, and maintaining the country's political security. Opposing peaceful change and rebellions has become the leading task. This must be coordinated with and dealt with actively together with other situations. We are no longer receiving military aid from abroad as in the past, and today's national defense budget is limited. Thus, renovating organization and building forces in accord with the requirements, tasks, and new situation is the task of each branch of service and branch, which includes the special operations branch.

In my view, in building special operations forces today, we must concentrate on the following main themes:

1. We must build special operations forces that are really well-trained, particularly forces that are well-trained politically. Special operations forces' combat strength is crystallized by many factors. This is the strength of the strong political capabilities, unique special operations combat arts, and tight military organization of a crack, revolutionary, and regular force that is gradually being modernized. If we simply compare our strength to that of the enemy, it will be very difficult to explain the victories of our special operations troops. Recent wars have shown that in many situations, one sapper team has successfully attacked a major target deep in the enemy's rear, an operation that would have been difficult for an infantry regiment, or even a division, to carry out. This stems mainly from the "special nature" of the special operations forces in all the factors and relationships, their skill in organizing and building forces, their special operating formulas, and their special capabilities in attacking the enemy. Thus, building special operations forces who are well-trained in all respects, particularly in politics, is an urgent and long-term task. As warfare develops and the enemy uses more and more weapons and more high-tech equipment, more and more attention must be given to this requirement.

In today's conditions and in a people's war to defend the fatherland (if war should break out), the special operations forces must be organized broadly. But this does not mean that there should be large numbers of poor-quality troops spread far and wide. The guiding ideas of the party must always be thoroughly understood in building forces, and quality, particularly political quality, must always come first. Starting now, in carrying out the national defense and security tasks and maintaining political stability in the country, this issue must be greatly elevated. The enemy's "peaceful change" plot is constantly making advances and hurting us. The struggle against aggression is actually underway. This cannot wait until there is a war of aggression. Unless we defeat their plots and stratagems in peacetime, we could lose the party and the regime, as has happened in many countries. Once the leading party and the regime is lost, the entire system will be lost, and that will lead to the loss of the country. We will fall into the orbit of neocolonialism in one form or another.

This new task requires that the military, which includes special operations troops, have a new combat strength and contribute, together with all the people, to winning the complex and very difficult "political war." At the same time, it must have the strength to serve as the activist for all the people and be prepared to defeat a war of aggression if war should break out in order to defend our socialist Vietnamese fatherland. Special operations cadres and soldiers must have strong political capabilities and adhere closely to the targets and ideals. They must be absolutely loyal to the fatherland and people and be vigilant. They must react quickly to all types of enemies and not vacillate or waver in the face of the deceptive arguments of the enemy or in the face of monetary or material bribes. At the same time, sappers

must be imbued with a lofty idea of the offensive. They must be resolute, brave, and daring. They must have adequate military knowledge and be physically strong. Only then will they be able to stand firmly and fight for long periods in terrible conditions, have the fortitude to overcome difficulties, and have the wisdom and ability to defeat targets not of their choosing in conditions in which they are at a disadvantage in terms of both forces and equipment. With this spirit, along with improving the quality of military training, the special operations branch has constantly strengthened political and ideological education, regarding this as one of the important things for ensuring that the sapper forces are built up and can fight victoriously. [passage omitted]

Political education must enable everyone to see that the tasks of sappers today have expanded as compared with those during the national liberation war. Because of this, the disciplinary and tactical requirements are higher, and this defines the determination to study and train to satisfy the requirements and fulfill the tasks.

2. Special operations detachments that are strong in all respects must be built.

With respect to the special operations branch, just as in the past, the combat units must build strong sapper teams, spearheads, units, and joint units that have the ability to fight on any battlefield and attack targets deep in the enemy's rear using the equipment available. This is a pressing and long-term requirement.

To build special operations detachments requires above all a thorough understanding of the spirit of General Staff Directive 116CT-TM on building units that are strong in all respects. Because of the special nature of the special operations forces, we are concentrating on the following:

We must build strong party organizations, particularly party chapters and party cells. The various-echelon party organizations, particularly the party chapters, must really have the ability to lead the party members and masses in the units. The party organizations must ensure that people thoroughly understand the party's resolutions, policies, and lines and carry out the construction and combat training tasks for their units. At the same time, because sappers usually operate in small numbers far from the guidance of higher echelons, the branch is giving much attention to building party chapters having many outstanding members. Today, in the special operations branch, all combat units have party chapters. The problem is to ensure that many party chapters have party committee echelons and that more and more party chapters are strong in all respects.

An important requirement is to build ranks of primary-level management cadres, because cadres are the root of every victory. Special operations cadres must not only have excellent technical and tactical standards and be strong physically but they must also be highly skilled in mobilizing the masses and building political bases among the people. They must be able to organize an area

and be skilled in training the cadres and soldiers subordinate to them. The experiences gained from past battles and operations have been reviewed. Both the successful and unsuccessful experiences must be passed on to subordinate cadres and soldiers through both formal training and on-the-job training.

Combat readiness training and training in discipline and order are central tasks in building detachments that are strong in all respects. Today, just as in other infantry units, sappers are obligated to serve in the military for only 2 years. In such a short period, training must be planned and follow a scientific model in order to ensure that 1st-year soldiers have good basic standards and that 2d-year soldiers are well-trained and skilled in every respect. Emphasis must be placed on forging excellent skills in independent combat as well as in joint combat with other branches of service and other arms.

Combat training must be coordinated with physical education and with strengthening discipline and order. For a long time to come, just as in the past, the special operations troops will have to carry on operations and fight for long periods with just the equipment and food they carry. Thus, they must be physically strong and have a good concept of organization and discipline. Sapper discipline does not stop here but also manifests high combat coordination. In unusual times, special military knowledge will be used to affect the prestige of Uncle Ho's troops. [passage omitted]

3. Reviewing things and carrying on scientific studies must be strengthened in order to satisfy the new requirements and fulfill the new tasks. [passage omitted]

If a war to defend the fatherland breaks out, the enemy will certainly use modern, high-tech weapons and equipment. But special operations forces must manifest their great role and exploit special methods of attack on the battlefields of a people's war based on the training that they received in peacetime. The special operations troops can attack important targets on land, command bases, rear area and technical targets, and the aircraft and ships of the enemy deep in their rear.

Making complete preparations so that the special operations forces can fulfill the combat readiness tasks based on the experiences of the war for national liberation does not mean blindly applying the old experiences to the new situation, which changed has and developed. The special operations branch must study many problems such as the organization and construction of sapper forces, sapper combat arts, the use of sappers of integrated branch commands, formulas to maintain rear services, techniques, intelligence for the sappers during combat, and so on. Above all, plans must be studied to determine how to organize the special operations forces in a rational manner, from the special operations forces of the command and in the military regions and corps to the local special operations forces. The necessary ratio between professional forces and draftees in today's special operations units must be determined. Formulas for

having sappers carry out quick and secret operations must be studied, and plans to build corridors, positions, and political bases in predetermined locations must be studied.

Scientific research must go deeply into studying and purchasing new weapons and equipment, new modes of attack, and writing training materials for the special operations troops. The highest requirement with respect to the weapons and equipment used by sappers is that they are compact, easy to use, easy to assemble and set up, and easy to transport on both land and in water, that their shape is suited to each type of special operations force, and that they are highly destructive.

Weapons research must be directed toward the application of the newest technology in order to improve the old types of weapons and improve and purchase equipment so that the special operations forces can operate at remote distances on both land and at sea. The signal and

liaison means and reconnaissance means of the special operations forces is another difficult problem that must be studied. An important research task is to ensure that the special operations troops eat a proper diet and are physically healthy so that they can carry out the immediate tasks and remain in good health. Studies must be done on processing highly nutritious foods that are easy to use and that can be preserved for long periods. Food for water sappers, for example, must be small, light, impervious to water, and easy to use so that the sappers can eat while swimming. On the other hand, studies must be done on manufacturing preventive medicines and other drugs suited to independent activities, particularly when sappers must rely on themselves at sea.

Many of the scientific research problems exceed the capabilities of the special operations forces. It is hoped that the state, the Ministry of Defense, and scientists both in and outside the military will provide help.

## Australia

### Trade Position Improves as Exports Rise

*BK0103051594 Melbourne Radio Australia in English  
0100 GMT 1 Mar 94*

[Text] There has been a substantial improvement in Australia's trade position with figures for January showing a welcome fall in imports and rise in exports.

Seasonally adjusted trade deficit for the month was \$1.26 billion [Australian dollars]. That is in line with market expectations and well down on the revised December result which blew out to \$1.6 billion.

Figures from the Australian Bureau of Statistics show the balance of merchandise trade turned around from a deficit in December to a surplus in January. There was a seasonally adjusted 4 percent rise in exports during the month while imports fell 5 percent, helping to quell market fears that the economic recovery was running too fast.

The fall in import was despite the purchase by Qantas of a new aircraft—the first civil aircraft imported since October of last year.

## New Zealand

### Australian Minister Comments on GATT Enforcement

*BK0103082394 Melbourne Radio Australia in English  
0630 GMT 1 Mar 94*

[From the "International Report" program]

[Text] Trade ministers from Australia and New Zealand have held their first meeting since last December's agreement in the Uruguay Round of world trade talks. The two countries have agreed the Cairns Group—the Australian-led group of agricultural trading nations—will have an important future role in monitoring the commitments given in the Uruguay Round.

New Zealand also backed Australia's concern over the approach taken by the United States in its trade dispute with Japan. Camille Funnell spoke to Australian Trade Minister Bob McMullan, who is in Auckland, and asked him about the future of the Cairns Group.

[Begin recording] [McMullan] We agreed today that there is a very big role for the Cairns Group. It played a big part in getting the agriculture enhancement through

the Uruguay Round that will be so important for Australia over the next few years. We think the two big jobs that we have in front of us at the moment are, one, to make sure that those agreements are actually implemented and, secondly to work in the body that is going to be established next year called the World Trade Organization to make sure that those of us who are involved in fair trade in agriculture—us, New Zealand, Latin American countries, many of our friends in ASEAN, and others—that we work together in that group to make sure that it continues as a forum that puts pressure on the unfair trading practices of some of the bigger players in agriculture so that we can build on the good achievements we have made to get a better deal for our farmers in the world market.

[Funnell] How can the Cairns Group effectively monitor whether other countries stick to the letter of the Uruguay agreement? I mean, you have no sort of big stick you can wield, have you?

[McMullan] Well, the World Trade Organization does give us a mechanism and a body of rules within which agricultural trade should be implemented, and it does give us that capacity to take disputes about whether people are complying with the treaty to that organization through its dispute-settling mechanism.

That is why apart from the immediate benefits that will flow to particular industries, the other benefit for Australia of a multilateral agreement on trade is that it sets up a body of rules that can protect the small and medium-size players from what could otherwise be unilateral action by the bigger countries and trading groups, like the European Union and the United States.

[Funnell] And what about the future of APEC [Asia Pacific Economic Cooperation]? Did you discuss that with your New Zealand counterpart?

[McMullan] Yes, we did. APEC is probably the biggest issue for 1994 because of the very important leaders' meeting that is going to be held in Jakarta toward the end of the year. And it is important that it continue its momentum.

What we did discuss today was that when people launched the APEC initiative four or five years ago, I think they would not have envisaged it coming as far as it has as quickly as it has. But we need to maintain that momentum and start to get some of those benefits that start to make it easier for business to trade in the region—the trade facilitation, the things that mean that more economic success and more jobs are generated by activity in the region. [end recording]

